tal appropriations for the fiscal year 1956 in the amount of $12,300,000 for the Department of Defense, civil functions, as follows:

Department of Defense, civil functions; Department of the Army, rivers and harbors and flood control, construction, general: For an additional amount for "Construction, general," $6 million, to remain available until expended.

The budget document for fiscal year 1956 included an item under the heading "Proposed for later transmission," for the initiation of the dredging of the authorized 40-foot channel in the Delaware River between Philadelphia, Pa., and Trenton, N. J., contingent upon reaching agreement with local interests on adequate cost sharing in some form.

This project was authorized by the River and Harbor Act of 1954, and is presently estimated by the Corps of Engineers to cost $95,100,000. The amount of $6 million is necessary to initiate dredging and rock removal in the section of the channel between Pennypacker Creek, Pa., and Delanco, N. J., and to initiate action toward replacement of the Delair Bridge.

Substantial benefits are derived by individual users of our waterways. The demand of many sections of the country for water-resources projects, involving large sums of money, focuses attention on the need for developing suitable arrangements to enable the beneficiaries to meet their fair share of the cost and to ease the burden on the general taxpayers of the Nation which results whenever an inordinate financial burden involved in such projects is imposed on the Federal Government. These arrangements should be consistent with an equitable general policy for sharing the cost of essential water-resources projects. We have been faced with the problem of developing a method which would be equitable with respect to the Delaware River project and yet would not discriminate against this project in relation to other water-resources projects. However, considerable time and effort will be required to develop a consistent overall policy and to work out arrangements for its application to individual projects.

Under the circumstances, and since no satisfactory proposal for bringing about an equitable sharing of the cost of the Delaware as a separate project has been found, it would seem fair not to further delay initiation of this project. We have in mind the importance of the Delaware River channel, not only to the continued economic development of the area but also to the Nation as a whole. Furthermore, local interests in the Delaware port area have made substantial investments in related harbor and terminal facilities to which an improved waterway is essential.

Initiation of work on the Delaware River does not change the basic objective of developing a satisfactory means for obtaining local contributions toward the cost of water development projects in line with the partnership policy of this administration, which would apply to the Delaware as well as other projects.

Federal contributions to partnership projects For payment of contributions by the United States for flood storage in the Markham Ferry project, as authorized by the act of July 6, 1954 (68 Stat. 450), $6,300,000, to remain available until expended.

The 1956 budget message states that provision will be made for cooperation in authorized partnership projects such as the Markham Ferry project in Oklahoma. This project, under the terms of the authorization contained in Public Law 476, approved July 6, 1954, will be constructed for hydroelectric power production and flood control in accordance with the terms of the Federal Power Act, by the Grand River Dam Authority, an instrumentality of the State of Oklahoma. The project will involve a total cost of about $25 million, of which not to exceed $6,500,000 is authorized to be contributed by the United States for flood-control storage in the reservoir. This authorized Federal payment will be reduced by an amount for certain lands to be conveyed to the Grand River Dam Authority by the United States, presently estimated at $200,000.

On June 22, 1955, the Federal Power Commission issued a license to the Grand River Dam Authority to construct the Markham Ferry project (FPC Project No. 2183). The full amount of $6,300,000 is required to be appropriated at this time in order to enable the Authority to sell revenue bonds to finance its part of the cost of construction. The appropriated funds will be administered by the Chief of Engineers, and transferred periodically to the Authority in amounts commensurate with the construction work completed by the Authority.

In view of the above considerations, I recommend that the foregoing proposed supplemental appropriations be transmitted to the Congress.

Respectfully yours,

ROWLAND HUGHES,
Director of the Bureau of the Budget.

THE WHITE HOUSE,
Washington, June 29, 1955.

THE PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of the Congress proposed supplemental appropriations for the fiscal year 1956 in the amount of $12,300,000 for the Department of Defense—Civil Functions.

The details of these proposed appropriations, the necessity therefor, and the reasons for their submission at this time are set further in the attached letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

DWIGHT D. EISENHOWER.

Bananas on Pikes Peak?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 21, 1955

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

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

The cost to the Nation's taxpayers of the Hammond project would be $3,800 an acre.

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

SENATE

WEDNESDAY, JUNE 22, 1955

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

O Thou whose throne is truth, frail creatures of dust serving out our brief day on the world's vast stage, we would set our little lives in the midst of Thine eternity and feel about us Thy greatness and Thy peace. Like flowers in June gardens uplifted to the sun, like still waters that mirror the eternal stars, so we would lift our yearning souls to Thee, our light and our life, our help and our hope.

We pray that the institutions of justice, of united endeavor, and mutual understanding, which are being set up in these anxious yet hopeful days, may be used as the instruments of Thy providence in bringing to fulfillment at last the prophet's dream: "Violence shall no more be heard in Thy land, wasting nor destruction within Thy borders." Give us hope which rises above frustration, patience which will bear the strain of waiting, good will which cannot be discouraged even by duplicity, and forgiveness for those who repent as we ourselves ask to be forgiven: In the Redeemer's name. 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 21, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 21, 1955, the President had approved and signed the following acts:

S. 89. An act for the relief of Margaret Isabel Byers;

S. 654. An act 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; and

S. 1419. An act to lower the age requirements with respect to optional retirement of persons serving in the Coast Guard who served in the former Lighthouse Service.

REPORT OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 194)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Banking and Currency:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a report of the

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

National Advisory Council on International Monetary and Financial Problems submitted to me through its Chairman, covering its operations from July 1 to December 31, 1954, and describing, in accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development for the above period.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 22, 1955.*

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 following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 26. An act for the relief of Donald Hector Taylor;

S. 36. An act for the relief of Lupe M. Gonzalez;

S. 244. An act for the relief of Anna C. Giese;

S. 633. An act for the relief of certain alien sheepherders;

S. 758. An act for the relief of Marion S. Quirk; and

S. 1654. An act for the relief of Eliseu Joaquim Boa.

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

H. R. 2755. An act for the relief of Benjamin Johnson;

H. R. 2783. An act for the relief of Andrew Wing-Huen Tsang;

H. R. 2944. An act for the relief of Franziska Lindauer Ball;

H. R. 2947. An act for the relief of Emelda Ann Schallmo;

H. R. 3189. An act for the relief of Dorothy Claire Maurice;

H. R. 3507. An act for the relief of Luise Pempfer (now Mrs. William L. Adams);

H. R. 3624. An act for the relief of Olga I. Papadopoulou;

H. R. 3625. An act for the relief of George Vourderis;

H. R. 3626. An act for the relief of Ilse Werner;

H. R. 3629. An act for the relief of Mrs. Nika Kirihara;

H. R. 3630. An act for the relief of Mrs. Uto Ginoza;

H. R. 3864. An act for the relief of Mrs. Elizabeth A. Traufield;

H. R. 3871. An act for the relief of Orville Ennis;

H. R. 4284. An act for the relief of Mrs. Mariannina Monaco;

H. R. 4455. An act for the relief of Christa Harkrader;

H. R. 4640. An act for the relief of James M. Wilson;

H. R. 4663. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Trinity River division, Central Valley project, California, under Federal reclamation laws;

H. R. 4707. An act for the relief of Duncan McQuagge;

H. R. 5021. An act for the relief of Harriet L. Barchet;

H. R. 6184. An act for the relief of Lt. P. B. Sampson; and

H. J. Res. 251. Joint resolution to authorize the President to issue posthumously to the late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. PURTELL was excused from attendance on the session of the Senate tomorrow.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on the Judiciary was authorized to meet this afternoon in the office of the Secretary of the Senate during the session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, there will be a morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business. I ask unanimous consent that there be the usual 2-minute limitation on speeches made in connection therewith.

The VICE PRESIDENT. 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.

TREATY OF FRIENDSHIP, COMMERCE, AND NAVIGATION WITH REPUBLIC OF HAITI—REMOVAL OF INJUNCTION OF SECRECY

The VICE PRESIDENT. The Chair lays before the Senate Executive H, 84th Congress, 1st session, a treaty of friendship, commerce and navigation between the United States of America and the Republic of Haiti, together with a protocol and an exchange of notes relating thereto, signed on March 3, 1955, and the notes on April 11 and 25, 1955, at Port-au-Prince, Haiti.

Mr. JOHNSON of Texas. I move that the injunction of secrecy be removed from the treaty, that the treaty, together with the President's message, be referred to the Committee on Foreign Relations, and that the message from the President be printed in the RECORD.

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

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a treaty of friendship, commerce, and navigation between the United States of America and the Republic of Haiti, together with a protocol and an exchange of notes relating thereto. The treaty and the protocol were signed on March 3, 1955, and the notes on April 11 and 25, 1955, at Port-au-Prince.

I transmit also, for the information of the Senate, the report by the Acting Secretary of State with respect to the treaty.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 22, 1955.*

(Enclosures: 1. Report of the Acting Secretary of State. 2. Treaty of friendship, commerce, and navigation, with protocol, signed at Port-au-Prince on March 3, 1955. 3. Exchange of notes, signed at Port-au-Prince on April 11 and 25, 1955, with translation of French language note.)

PROTOCOL SUPPLEMENTING CONVENTION WITH THE KINGDOM OF THE NETHERLANDS RELATING TO CERTAIN TAXES—REMOVAL OF INJUNCTION OF SECRECY

The VICE PRESIDENT. The Chair lays before the Senate Executive I, 84th Congress, 1st session, the protocol, signed on June 15, 1955, supplementing the convention between the United States of America and the Kingdom of the Netherlands with respect to taxes on income and certain other taxes for the purpose of facilitating extension to the Netherlands Antilles.

Mr. JOHNSON of Texas. I move that the injunction of secrecy be removed from the protocol, that the protocol, together with the President's message, be referred to the Committee on Foreign Relations, and that the message from the President be printed in the RECORD.

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

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit the protocol, signed on June 15, 1955, supplementing the convention between the United States of America and the Kingdom of the Netherlands with respect to taxes on income and certain other taxes for the purpose of facilitating extension to the Netherlands Antilles.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the protocol.

The protocol has the approval of the Department of State and the Department of the Treasury.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 22, 1955.*

(Enclosures: 1. Report of the Acting Secretary of State. 2. Protocol supplementing the income-tax convention with the Netherlands.)

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nominations of Leslie F. Augsbach and Frank

A. Bialas, to be postmasters at Spring Lake, Mich., and Wilmore, Pa., respectively, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

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

POSTMASTER NOMINATION ADVERSELY REPORTED

The Chief Clerk read the nomination of Merlin A. Hymel to be postmaster at Edgard, La.

Mr. JOHNSON of Texas. Mr. President, I ask that that nomination go over. I have not had an opportunity to confer with the minority leader about it. I expect to bring the nomination before the Senate at an early date, but I ask that it go over at this time.

The VICE PRESIDENT. The nomination will go over.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask that the remaining postmaster nominations be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

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

The VICE PRESIDENT. 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.

NOTICE OF CONSIDERATION OF DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I should like to say, and I call this to the attention of the distinguished minority leader, that it is hoped the District of Columbia appropriation bill will be reported today. It is also the hope of the majority leader that we may have early consideration of that bill, always realizing that the Senate will not proceed until the hearings and the reports are available. In the event there is no great controversy involved, and the minority leader agrees with me about the procedure, I hope the District of Columbia appropriation bill can be called up and considered by unanimous consent, if the hearings and the report are available, and if it seems unlikely that any great controversy will develop.

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

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Morning business is now in order.

INVITATION OF THE CITY OF PHILADELPHIA FOR MEMBERS OF THE SENATE TO ATTEND FOURTH OF JULY CELEBRATION AT INDEPENDENCE HALL—LETTER AND RESOLUTION

Mr. MARTIN of Pennsylvania. Mr. President, by appropriate resolution, the city of Philadelphia is inviting all Members of the Senate to attend a Fourth of July celebration in Independence Hall.

I may state to the Senate that the distinguished junior Senator from Kentucky [Mr. BARKLEY], formerly Vice President of the United States, will be the orator on that occasion.

I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter to the Vice President from James H. J. Tate, president of the City Council of Philadelphia, Pa., transmitting a resolution adopted by the city council, inviting the Members of the Senate to attend Philadelphia's observance of Independence Day on Monday, July 4, 1955.

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

CITY COUNCIL,
Philadelphia, June 21, 1955.

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

MY DEAR MR. VICE PRESIDENT: I am enclosing herewith a resolution adopted by the council of the city of Philadelphia, inviting the Members of the United States Senate to attend Philadelphia's observance of Independence Day on Monday morning, July 4, 1955, which is to be held at Independence Hall in Independence Square, the birthplace of our Nation's liberty.

This is an annual observance and a cordial invitation is extended to you and the Members of the Senate who may be in the East at that time.

With all good wishes, I remain,

Sincerely yours,

JAMES H. J. TATE,
President, City Council.

Resolution requesting the Members of the Congress of the United States to participate in the observance of Independence Day at Independence Square in Philadelphia

Whereas the most inspirational holiday celebrated by the peoples of the United States is Independence Day each year; and

Whereas the most hallowed spot in the United States relating to that day is in Independence Hall, Philadelphia, Pa., where the Liberty Bell has its resting place; and

Whereas it is the purpose of the city of Philadelphia to make the observance of this holiday at Independence Square each year the most significant celebration in the United States of the signing of the Declaration of Independence; and

Whereas the Commonwealth of Pennsylvania will officially dedicate the Mall, adjacent to Independence Hall; and

Whereas this day offers a splendid opportunity for Members of the United States Congress to visit the shrine dedicated to the true significance of liberty, freedom, and equality: Therefore be it

Resolved by the Council of the City of Philadelphia, That Members of the United States Congress are hereby respectfully requested to accept the invitation of the city of Philadelphia to participate in the observance on Monday morning, July 4, 1955, and on each Independence Day observance thereafter, from Independence Square, in the city of Philadelphia.

Resolved, That a certified copy of this resolution be forwarded to the Members of the Congress of the United States.

CERTIFICATION

This is a true and correct copy of the original resolution passed by the city council on the 9th day of June 1955.

JAMES H. J. TATE,
President of City Council.

ENCOURAGEMENT OF THE ARTS—RESOLUTION OF NATIONAL MUSIC COUNCIL

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the National Music Council, of New York, N. Y., relating to the encouragement of the arts.

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

RESOLUTION UNANIMOUSLY PASSED BY THE NATIONAL MUSIC COUNCIL AT ITS ANNUAL MEETING OF MAY 25, 1955

Whereas the President of the United States, as well as many of the outstanding Members of both Houses of Congress of the United States, have evinced their interest in encouraging the arts; and

Whereas music is a form of communication which knows no international barriers of language; and

Whereas the National Music Council is desirous of expressing its appreciation to those selected officials who have shown a high regard for the encouragement of the arts: Now, therefore, be it

Resolved, That the National Music Council, on behalf of some 800,000 American citizens who compose the member organizations of the council hereby expresses to the President of the United States and to Messrs. GORDON ALLOTT, CLINTON P. ANDERSON, FRANK A. BARRETT, GEORGE H. BENDER, WALLACE F. BENNETT, ALAN BIBLE, JOHN W. BRICKER, HARRY FLOOD BYRD, EVERETT MCKINLEY DIRKSEN, PAUL H. DOUGLAS, WALTER F. GEORGE, THEODORE F. GREEN, HUBERT H. HUMPHREY, OLIN D. JOHNSTON, ESTES KEFAUVER, HARLEY M. KILGORE, WILLIAM F. KNOWLAND, THOMAS H. KUCHEL, WILLIAM LANGER, HERBERT H. LEHMAN, WAYNE MORSE, JAMES E. MURRAY, MATTHEW M. NEELY, JOSEPH C. O'MAHONEY, FREDERICK G. PAYNE, CHARLES E. POTTER, LEVERETT SALTONSTALL, H. ALEXANDER SMITH, STROM THURMOND, ARTHUR V. WATKINS, JOHN A. BLATNIK, EMANUEL CELLER, CHARLES R. HOWELL, CARROLL D. KEARNS, JOHN L. MCMILLAN, LEE METCALF, GEORGE P. MILLER, JAMES H. MORRISON, GEORGE M. RHODES, JOHN F. SHELLEY, FRANK THOMPSON, JR., STUYVESANT WAINWRIGHT, and ROY W. WIER, its appreciation of the steps taken by these elected representatives of our people to set a pattern for democratic encouragement of the arts and the cultural aspects of our civilization, of which music forms so great a part.

REQUEST FOR RESIGNATION OF SECRETARY OF THE INTERIOR—RESOLUTION

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Klamath Basin District Council No. 6, International Woodworkers of America, CIO, requesting the President of the United States to require the resignation of the Secretary of the Interior.

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

RESOLUTION ON RESIGNATION OF DOUGLAS MCKAY, SECRETARY OF THE INTERIOR

Whereas the Secretary of the Interior, Douglas McKay, used to sell Chevrolets to the State of Oregon while governor; and

Whereas President Eisenhower's Cabinet already has one representative of General Motors, Charles E. "Bird Dog" Wilson, on it; and

Whereas Secretary McKay seeks to either close down, or sell out to private monopoly, the Alaska Railroad in spite of its profitable operating record; and

Whereas Secretary McKay has, by his own appointment, become the errand boy for the Idaho Power Co., a Maine corporation which masquerades as a locally owned concern and has sought to give away the finest multiple-purpose dam site in North America—Hells Canyon on the Snake River—to this private utility; and

Whereas Secretary McKay has clearly demonstrated by his past and present record that he is not interested in the welfare of the people, but is interested, at the expense of the citizenry, in the welfare of friends in the utility and transportation field and is thus an official to whom the people can no longer look for the protection of their natural resource heritage: Be it therefore

Resolved, That the Klamath Basin District Council No. 6, International Woodworkers of America, CIO, petition the President of the United States to require Secretary McKay's resignation forthwith so as to prevent any further looting of the public domain; and be it further

Resolved, That a copy of this resolution be sent to Senator WAYNE L. MORSE with the request that it be read into the CONGRESSIONAL RECORD.

Adopted by Klamath Basin District Council No. 6 convention in session May 14 and 15, 1955.

TIM SULLIVAN,
President, K. B. D. C. No. 6.
H. E. GEIGER,
Secretary-Treasurer, K. B. D. C. No. 6.

USE OF WORD "EMPLOYABILITY" IN VETERANS' REGULATIONS—RESOLUTION

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by Craig Mount Post, No. 4273, of the Veterans of Foreign Wars, Union, Oreg., relating to the elimination of the word "employability" from Veterans' Regulations KA1, part 3, of Public Laws 28, 149, and 698, 83d Congress.

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

Whereas the requirement of the word "employability" and the interpretations thereunder of Veterans Regulations KA1, part 3, of Public Laws 28, 149, and 698, 83d Congress, has caused and will cause great hardship and unreasonable denial of pensions to veterans; and

Whereas said interpretations relating to the employability have not been realistic and will cause the denial of pensions to veterans who should in all interest of social justice be entitled thereto: It is hereby

Resolved by Craig Mount Post, No. 4273, VFW, and we do request, That our national officers and State officers institute appropriate action to eliminate the requirement of the word "employability" from the above-stated regulation and that legislation be introduced at the next session of the Congress of the United States of America to effect such purpose.

JERRY WRIGHT,
Commander.
CLARENCE W. DODDS,
Chaplain.
VIRGIL SUDBROCK,
Adjutant.

COMMENCEMENT AND COMPLETION OF JOHN DAY PROJECT, OREGON—LETTER

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the City Council of West Linn, Oreg., signed by Andy Harila, city recorder, favoring the early commencement and completion of the John Day project, Oregon.

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

WEST LINN, OREG., *June 16, 1955.*

The Honorable WAYNE MORSE,
United States Senate,
Washington, D. C.

SIR: The West Linn City Council at its regular June meeting discussed the problem of a predicted power shortage in the Pacific Northwest and especially in the Willamette Valley area by the year 1960 unless immediate action is taken to start more hydroelectric development.

Recognizing the importance of electric power as a factor in the economy of the area in general and our city in particular, we urgently request that you use your influence toward the early commencement and completion of the John Day project either through Government financing or the proposed partnership plan.

Yours very truly,
CITY OF WEST LINN,
ANDY HARILA, *City Recorder.*

HELLS CANYON DAM—LETTER, PETITION, AND RESOLUTIONS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the International Association of Machinists, Bremerton, Wash.; a petition signed by Henry Pence, and sundry other citizens of the State of Ohio; a resolution adopted by Fort Rock Grange, No. 758, of Fort Rock, Oreg.; a resolution adopted by the Missouri State Council of Carpenters, United Brotherhood of Carpenters and Joiners of America; a resolution adopted by the New Mexico State Council of Carpenters, Hobbs, N. Mex.; a resolution adopted by Local Union No. 610, United Brotherhood of Carpenters and Joiners of America, Port Arthur, Tex.; and a resolution adopted by the Oregon State Grange, all favoring the enactment of Senate bill 1333, authorizing the construction of a high dam in Hells Canyon.

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

INTERNATIONAL ASSOCIATION OF MACHINISTS,
Bremerton, Wash., June 5, 1955.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: At the recent meeting of Nipsic Lodge, No. 282, International Association of Machinists, I was instructed to write you on behalf of our local to thank you for your support of Senate bill 1333, which authorizes the construction of the high dam at Hells Canyon.

The machinists have given wholehearted support both financially and morally to the Hells Canyon Association and we sincerely appreciate your efforts in this cause.

Sincerely yours,
NIPSIC LODGE, NO. 282, I. A. OF M.,
A. A. JUSTIN,
Recording Secretary.

PETITION

To the Congress of the United States:

We, the undersigned citizens of the United States, believing that construction of a high dam at Hells Canyon on the Snake River between Idaho and Oregon will assure maximum comprehensive multipurpose development of the Middle Snake, and will contribute materially to the economic growth of the region and the national economy and security, do respectfully petition that Senate bill 1333, authorizing a Federal multiple-purpose high dam at Hells Canyon, be passed by the Congress.

HELLS CANYON DAM VERSUS THREE LOW-HEAD DAMS

In order to acquaint our Congressmen of the stand of our grange regarding a high dam or three low-head dams on the Snake River in the Hells Canyon area, we, the Fort Rock Grange, No. 758, located at Fort Rock, propose the following resolution:

"Whereas the three proposed low-head dams are to be located in the area which would be the reservoir site of the Hells Canyon Dam, as located by the Army engineers and the Federal irrigation group; and

"Whereas the sites for the three low-head dams are requested by private utility companies; and

"Whereas the granting of these sites to the private companies would shut off construction of Hells Canyon dam without bargaining with the private companies for return of the sites; and

"Whereas the low-head dams make no provision for flood control, while Hells Canyon Dam would provide an exceptionally large reservoir in an ideal primitive area for water storage; and

"Whereas the low-head dams require water rights to assure sufficient river flow for maximum development of power, while Hells Canyon Dam would store great quantities of surplus water during the spring runoff, thus holding it from flooding the lower area and also providing power development even during the long dry periods, not only at the dam site, but to river flow dams below, only becoming a low-head dam when the stored water is used down to the river flow; and

"Whereas the low-head dams are of no value for wildlife, scenic, or recreational uses, while Hells Canyon Dam would provide all these benefits: Therefore be it

"*Resolved*, That this grange stands definitely for the construction of the Hells Canyon Dam and opposed to giving away the three sites in the Snake River which would obstruct the construction of the Hells Canyon Dam; and be it further

"*Resolved*, That we want the Hells Canyon Dam constructed and owned by the Fed-

eral Government, provided however, that in power development, the Federal Government share with the States concerned with such costs and benefits as may be for the best interests of the people of those States and of the Nation, and provided further that the Federal Government enter into such contracts with private companies, including cooperative companies, for the development, distribution, and sale of electric power as will be to the advantage and for the benefit of the whole population; and be it further

"*Resolved,* That a copy of this resolution be sent to each of our Congressmen and to our State secretary of the grange."

JESS MILES,
Master.
HELEN PARKS,
Secretary.

LAKE COUNTY, OREG.

RESOLUTION ADOPTED BY THE MISSOURI STATE COUNCIL OF CARPENTERS, UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

Whereas there is now a bill in the Senate of the United States for consideration, known as Senate bill 1333, introduced by Senator WAYNE MORSE, of Oregon, and 22 other Senators, including Senator SYMINGTON and Senator HENNINGS, of Missouri, for the purpose of constructing a federally financed high dam in Hells Canyon; and

Whereas similarly constructed dams, such as Grand Coulee, Bonneville, etc., have resulted in the greatest good for a greater number of people, and have improved the Nation's resources; and

Whereas the construction of a multipurpose high dam as set forth in Senate bill 1333 would preserve and protect the full potential value of the site for navigation, recreation, irrigation, and flood control: Therefore be it

Resolved, That the Missouri State Council of Carpenters, United Brotherhood of Carpenters and Joiners of America, at their 17th annual convention, go on record as recommending the support of Senate bill 1333.

NEW MEXICO STATE
COUNCIL OF CARPENTERS,
Hobbs, N. Mex., May 25, 1955.

NATIONAL HELLS CANYON ASSOCIATION,
Portland, Oreg.

DEAR SIRS: The following resolution has been adopted by the New Mexico State Council of Carpenters at a special meeting held in Santa Fe, N. Mex., April 30, 1955:

"Whereas the Hells Canyon is the last major hydroelectric multipurpose project in the Pacific Northwest; and

"Whereas the erection of a federally financed dam would develop the hydroelectric potential of the site by providing water for irrigation, navigation, and maximum amount of flood control; and

"Whereas much of the recent growth of the West is the result of the development of such sites and all parts of the Nation have benefited from the growth of the West by expansion of industries in these undeveloped areas: Now, therefore, be it

"*Resolved,* That we, the members of the New Mexico State Council of Carpenters in special meeting in Santa Fe, N. Mex., assembled, do hereby endorse the Hells Canyon Dam project and passage of Senate bill No. 1333 by Congress. Motion to adopt made and seconded. Motion carried by unanimous vote."

VERNON C. ROBERTS, *Secretary-Treasurer.*

LOCAL UNION, NO. 610,
UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA,
Port Arthur, Tex., May 19, 1955.

NATIONAL HELLS CANYON ASSOCIATION,
Portland, Oreg.

DEAR SIRS: We of Carpenters Local 610 of the United Brotherhood of Carpenters and Joiners of America, A. F. of L., of Port Arthur, Tex., at a special called meeting, voted unanimously to submit the following resolution. We hope you will give it much consideration.

RESOLUTION

Whereas it is a well-known fact that Hells Canyon represents the last great natural dam site in the Nation; and

Whereas it has long been expected that a big multipurpose dam was to be built with Federal funds, much as Grand Coulee Dam and other great Columbia River developments were built, which would develop the full hydroelectric potential of the site, as well as provide water for irrigation, navigation, and a maximum amount of flood control; and

Whereas now we are confronted with the fact that certain interests wish to turn over the Hells Canyon Dam site to private interests for the construction of a series of low dams that would provide electricity only; and

Whereas these low dams would not even produce the full hydroelectric potential of the site, much less use the full possibilities of the site for navigation, recreation, irrigation, or flood control; and

Whereas Senator WAYNE MORSE, of Oregon, along with 29 other Senators, has introduced Senate bill 1333, which will provide for the construction of the big multipurpose dam at Hells Canyon as originally proposed with Federal funds: Therefore be it

Resolved, That we, the members of Carpenters Union, A. F. of L., Local 610, of Port Arthur, Tex., go on record as being in favor of the big multipurpose dam as provided by Senate bill 1333 because we feel that this type of dam will best serve all the interests of our country.

Sincerely yours,

B. H. SHARP,
Recording Secretary,
Carpenters Local No. 610.

PORTLAND, OREG., *June 15, 1955.*

Senator WAYNE L. MORSE,
Senate Office Building,
Washington, D. C.:

The following resolution passed by Oregon State Grange in annual session June 6 to 10 submitted for your consideration;

"Whereas Senate bill 1333 authorizing the construction of a high Hells Canyon Dam has been introduced in Congress; and

"Whereas we believe that in order to have an integrated power system of maximum value that this dam be constructed as called for in this bill for the following reasons: First, that it will tie in with the Northwest power pool to insure needed power for this area and for national defense; second, that it will serve as a large storage basin, thereby helping to regulate an even flow of water right on down through the Columbia chain of power dams and proposed dams, serving to increase the output of each dam and make a steady and greater power supply that cannot be had by any other means; third, that it will help to supply cheap power for agriculture and industry and encourage industry and make jobs for thousands and thousands of people. These added industries, this added payroll, added homes, and other benefits all building a foundation on a substantial basis for securing added tax money for the operation of Federal, State, and county governments; fourth, that it will be developing a natural resource by the people and for the people who own it and will pay a return to all the people, eventually paying back the full cost of construction with interest, and thereafter be a source of income for governmental operations; and fifth, that we know from past experience the value of a liberal supply of power at a low cost, and realize the last war could have had a different ending for America had it not been for the speedy output of boats and war materials all of which was directly dependent on our supply of low-cost power in the Northwest; and

"Whereas we realize that our Congress will be under pressure and at the point of focus of the highest paid, most powerful lobby in America and feeling that our congressional delegation is in need of home support for this measure: Now, therefore, be it

"*Resolved,* That Oregon State Grange go on record as heartily supporting this Hells Canyon Dam bill as originally outlined in Army engineers report No. 308 and that we forward copies of this resolution to all Senators and Representatives of the Northwest States requesting their undivided support of Senate bill 1333.

ELMER MCCLURE,
Master, Oregon State Grange.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDERSON, from the Joint Committee on Atomic Energy:

S. 609. A bill to provide rewards for information concerning the illegal introduction into the United States, or the illegal manufacture or acquisition in the United States, of special nuclear material and atomic weapons; with an amendment (Rept. No. 622).

By Mr. GREEN, from the Committee on Rules and Administration:

S. 636. A bill to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes; with amendments, together with minority views (Rept. No. 624).

By Mr. STENNIS, from the Committee on Appropriations:

H. R. 6239. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1956, and for other purposes; with amendments (Rept. No. 623).

By Mr. BIBLE, from the Committee on the District of Columbia, without amendment:

S. 1739. A bill to authorize the Commissioners of the District of Columbia to fix rates of compensation of members of certain examining and licensing boards and commissions, and for other purposes (Rept. No. 627);

S. 1741. A bill to exempt from taxation certain property of the Jewish War Veterans, U. S. A. National Memorial, Inc., in the District of Columbia (Rept. No. 628); and

S. 2176. A bill to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress (Rept. No. 629).

By Mr. BIBLE, from the Committee on the District of Columbia, with an amendment:

S. 2177. A bill to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia (Rept. No. 630).

By Mr. MCNAMARA, from the Committee on the District of Columbia, without amendment:

S. 665. A bill to revive section 3 of the District of Columbia Public School Food Services Act (Rept. No. 631); and

S. 666. A bill to extend the period of authorization of appropriations for the hospital center and facilities in the District of Columbia (Rept. No. 632).

By Mr. MCNAMARA, from the Committee on the District of Columbia, without amendment:

H. R. 1825. A bill creating a Federal commission to formulate plans for the construction in the District of Columbia of a civic auditorium, including an Inaugural Hall of Presidents and a music, fine arts, and mass communications center (Rept. No. 626).

By Mr. McNAMARA, from the Committee on the District of Columbia, with an amendment:

S. 1275. A bill to authorize the Commissioners of the District of Columbia to designate employees of the District to protect life and property in and on the buildings and grounds of any institution located upon property outside of the District of Columbia acquired by the United States for District sanatoriums, hospitals, training schools, and other institutions (Rept. No. 633).

By Mr. McNAMARA, from the Committee on the District of Columbia, with amendments:

S. 182. A bill to require a premarital examination of all applicants for marriage licenses in the District of Columbia (Rept. No. 634).

By Mr. BEALL, from the Committee on the District of Columbia:

S. 48. A bill to provide for the disqualifications of certain former officers and employees of the District of Columbia in matters connected with former duties; without amendment (Rept. No. 625).

AMENDMENT OF MINING LAWS RELATING TO MULTIPLE USE OF SURFACE OF SAME TRACTS OF PUBLIC LANDS—MINORITY VIEWS (PT. 2 OF REPT. 554)

Mr. MALONE submitted minority views on the bill (S. 1713) amending the act of July 31, 1947 (61 Stat. 681), and the mining laws to provide for multiple use of the surface of the same tracts of the public lands, which were ordered to be printed.

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. GOLDWATER:

S. 2288. A bill to protect consumers and others against failure to identify misbranding and false advertising of the fiber content of textile fiber products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

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

By Mr. LEHMAN:

S. 2289. A bill for the relief of David Hayes; to the Committee on the Judiciary.

By Mr. BRICKER:

S. 2290. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. LANGER:

S. 2291. A bill for the relief of Albino Braiuca; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2292. A bill for the relief of Cale P. Haun and Julia Fay Haun; to the Committee on Finance.

By Mr. KENNEDY:

S. 2293. A bill to amend title II of the Social Security Act to provide disability insurance benefits for totally disabled individuals, to provide benefits for the wives and minor children of such individuals, to reduce from 65 to 60 years the age at which women may qualify for old-age and survivors insurance benefits, and to provide extra credit for postponed retirement; to the Committee on Finance.

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

By Mr. KNOWLAND:

S. 2294. A bill for the relief of Maria Veronica de Pataky, Coloman de Pataky, Oscar Beregi, Oscar Beregi, Jr., and Margreth Leiss von Laimburg; to the Committee on the Judiciary.

By Mr. CLEMENTS:

S. 2295. A bill to amend section 313 of the Agricultural Adjustment Act of 1938 with respect to tobacco allotments;

S. 2296. A bill to amend section 313 of the Agricultural Adjustment Act of 1938 with respect to tobacco allotments; and

S. 2297. A bill to further amend the Agricultural Adjustment Act of 1938, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. DOUGLAS:

S. 2298. A bill authorizing the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill.; to the Committee on Public Works.

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

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

S. J. Res. 82. Joint resolution to authorize the Secretary of the Interior to execute a certain contract with the Toston Irrigation District, Montana; to the Committee on Interior and Insular Affairs.

PROPOSED TEXTILE FIBER PRODUCTS REPRESENTATION ACT

Mr. GOLDWATER. Mr. President, I introduce, for appropriate reference, a bill to protect consumers and others against failure to identify, misbranding, and false advertising of the fiber content of textile fiber products, and for other purposes. I ask unanimous consent that an explanation of the bill, prepared by me, be printed in the RECORD.

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

The bill (S. 2288) to protect consumers and others against failure to identify, misbranding, and false advertising of the fiber content of textile fiber products, and for other purposes, introduced by Mr. GOLDWATER, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement presented by Mr. GOLDWATER is as follows:

STATEMENT BY SENATOR GOLDWATER

The proposed Textile Fiber Products Representation Act requires the identification of the fiber content of fabrics used or intended for use in "articles of wearing apparel, costumes and accessories, upholsteries, draperies, floor coverings, furniture, furnishings and beddings, and other domestics." In addition the law requires that advertising set forth the fiber content of such articles.

The act's jurisdiction covers all transactions in commerce, from manufacturing to retailing. The act specifically exempts individuals who are merely transporters of such articles in commerce, processors, under contract, of such articles, and any person manufacturing or shipping such articles to foreign countries.

A textile fiber product is misbranded if it is falsely or deceptively identified; or if the identification does not show (1) the fiber or fibers in the product, by generic name or nondeceptive trademark in the order of predominance; (2) the percentages of all fibers present in an article when one fiber is 20 percent or less by weight of the total fiber content, exclusive of permissible ornamentation up to 5 percent. Mention of a fiber present in an amount of 5 percent or less is prohibited. This provision is designed to prevent the use of the name of a "miracle fiber" when the fiber is present in a negligible amount.

The advertising provision of the law requires that ads must show the fiber or fibers in a product in the order of predominance by weight; must set forth the percentages of all fibers, when one is present in an amount of 20 percent or less; and must not use the name of a fiber which is present in the amount of 5 percent or less; and generally prohibits any misrepresentation or deception with respect to the identification of the fiber content of a textile fiber product.

This law does not require the identification of a fabric or floor covering which is removed from a labeled bolt of fabric or floor covering. Textile products contained in a package need not be individually labeled, providing the package is labeled in accordance with the act.

The act is to be enforced by the Federal Trade Commission, and the Commission is given powers of injunction and to certify actions to the Justice Department when there is reason to believe that a misdemeanor has been committed. Guaranties are provided for which relieve an individual of liability. The types of guaranty provided for are the separate guaranty, the continuing guaranty filed with the Commission, and a continuing guaranty given to the buyer, but not filed with the Commission.

Exceptions to this act are headwear, footwear, handbags, luggage, brushes, lampshades, and toys. Further, the Commission is given the power to specifically exempt articles which in its discretion should not be covered by the act. This is in addition to the general authority of the Commission to exempt articles which are of an inconsequential and insignificant nature.

The Wool Products Labeling Act is specifically repealed.

AUTHORITY FOR NATIONAL BANKS TO UNDERWRITE CERTAIN LOCAL SECURITIES

Mr. BRICKER. Mr. President, I introduce, for appropriate reference, a bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes. I ask unanimous consent to have printed in the RECORD a statement, prepared by me, relating to the bill, and also a statement on State and Local Government Financing of Public Facilities and Improvements which has been prepared to indicate some of the major points which may be involved in the consideration of this bill.

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

The bill (S. 2290) to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes, introduced by

Mr. BRICKER, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statements presented by Mr. BRICKER are as follows:

STATEMENT BY SENATOR BRICKER

I have today introduced S. 2290, a bill designed to assist cities and States by helping to create the broadest possible market for the bonds which they must issue to finance needed public facilities and improvements, and thus permit cities and States to obtain the lowest possible interest costs.

This is a matter of important public concern—particularly to the public officials who are responsible for the management of our State and local governments. The United States Conference of Mayors at its recent session of the full Conference unanimously adopted a resolution supporting such legislation. The American Public Power Association also adopted such a resolution at its convention in May of this year. In recent testimony before the Banking and Currency Committee, it received the support of representatives of the American Municipal Association. I am informed that members of the Executive Committee of the Municipal Finance Officers Association of America have indicated their support of such legislation. The principle of this legislation is also supported by the American Bankers Association, having been approved by both the Legislative and Administrative Committees of that organization.

There is good reason for the interest and support of these public officials and organizations in this legislation. They are faced with an increasing volume of non-Federal public works construction which is required to meet the present and future needs of their States and communities. In 1950 the construction of such public facilities and improvements amounted to $6.6 billion. The official estimate of the United States Department of Commerce for 1955 is $10 billion.

This is a tremendous increase in the last 5-year period. But present and future needs are so large that the United States Department of Commerce estimates that in the 10-year period 1955 to 1964 a total of $204 billion would be required—a yearly average of $20.4. The 1955 estimate of $10 billion represents an increase of $1.4 billion over 1954. If that amount of increase continued each year over the next 10-year period, the total would rise to more than $15 billion a year in 1960, and the total for the entire 10-year period would be approximately $149 billion. Thus the State and local governments face an increase of from 50 to 100 percent over the 1955 $10-billion annual rate of public improvements to be financed.

The yearly average annual rate of about $20.4 billion expenditure by State and local governments for needed public facilities and improvements over the 10-year period 1955–64 would consist of approximately the following: roads, $9.2 billion; schools, $4.2 billion; hospital and other medical facilities, $2.2 billion; water and sewer facilities, $2.5 billion; and other public works (such as parks, prisons, auditoriums, offices, playgrounds, publicly owned gas, power, and transit systems, etc., $2.3 billion.

It is recognized that these data are not absolutes. They are estimates based on informed judgments, and they may vary upward or downward from actuality. But it is unlikely that such variations as may occur would significantly diminish the magnitude of the problem of necessary public improvement financing which our State and local governments face in the relatively immediate future.

The bill which I have introduced simply makes it clear that national banks may underwrite and deal in obligations issued by the States and political subdivisions thereof, or agencies thereof which are eligible for purchase by a bank for its own account. Except in the case of general obligation bonds of States and local governments (which the banks are now authorized to underwrite and deal in without regard to the 10-percent limitation), the bill would provide that no bank shall at any one time hold obligations as a result of underwriting, dealing, or purchasing for its own account in a total amount with respect to any one issuer in excess of 10 percent of its capital stock actually paid in and unimpaired and 10 percent of its unimpaired surplus fund. Thus, the only change in the present law is to make it clear that national banks can underwrite and deal in nongeneral obligation or revenue bond type of public securities which are of such quality that the banks could buy them for their own account. In the case of nongeneral obligation or revenue-type bonds, the banks would be subject to the 10-percent limitation which I referred to a moment ago. Consistently with the legislative history of the Glass-Steagall Act, obligations issued by State and local governments which are payable solely from special assessments against benefited property would not be included within the underwriting authority.

In view of these considerations, it might be expected that a bill relating to an area of such important public concern to our States and municipalities would be relatively noncontroversial. I do not understand that such is the case with respect to the bill which I have introduced. Under such circumstances, it would be unreasonable to expect action to be taken on the bill during this first session of the 84th Congress by the Committee on Banking and Currency or by the Senate. But this certainly does not mean that consideration of this matter should be permanently deferred. I am convinced that the important public issues which I believe are involved in this matter should be brought up on the table where they can be openly studied and freely discussed, pending the convening of the second session of this 84th Congress, by all who have an interest in this problem. Thereafter, early during the next session, the Committee on Banking and Currency can schedule open hearings on the bill, during which the merits of the proposed amendment can be subjected to democratic process of free and open discussion, and, on the basis of such discussion and the evidence presented to the committee in the course of the public hearings, the Committee on Banking and Currency can decide whether the proposed amendment should be recommended for favorable consideration by the Senate.

STATE AND LOCAL GOVERNMENT FINANCING OF PUBLIC FACILITIES AND IMPROVEMENTS

GENERAL

State and local governments must issue and sell in the competitive market public securities to obtain the capital funds to finance the construction of the various types of public facilities and improvements (such as schools, hospitals, roads, water and sewer systems, etc.) required to serve the needs of their citizens. The broader the market for such public securities, the more assurance there is that State and local governments will be able to obtain lower interest rates.

In the past, the vast majority of needed public facilities and improvements were financed by State and local governments through the issuance and sale of public securities known as "general obligation" bonds—principally bonds the payment of which is secured by ad valorem taxes levied on all the property within the jurisdiction of the issuing State or local government. As to such general obligation bonds, State and local governments have always had the benefit of commercial bank participation in the marketing of their bonds, since the banks have always had clear authority to underwrite and deal in this type of public security.

With the development of new forms of State and local government financing, however, the proportion of the total issues of public securities which are of the very highest grade but which are "nongeneral obligation" in form has been increasing at an accelerated rate. As a result State and local governments are being deprived of the benefit of commercial bank participation in the marketing of a constantly increasing proportion of their required financing because at present the banks are not authorized to underwrite and deal in nongeneral obligation or revenue bonds.

BENEFITS OF PRESENT COMMERCIAL BANK PARTICIPATION

Within the present statutory limitations imposed upon their authority, the commercial banks discharge an important public-interest function in helping to create the broadest possible market for bonds issued by State and local governments to finance needed public facilities and improvements.

While the number of commercial banks which engage in underwriting bonds issued by State and local governments is relatively small, these banks have more than 30 percent of the total banking capital of the Nation. Thus the commercial banks which do engage in underwriting these bonds can make a most important contribution toward supplying the funds required by State and local governments to finance necessary public facilities and improvements. During the years 1949 to 1953 it is estimated that commercial banks underwrote more than one-third of the total of all general obligation bonds issued by State and local governments. The availability of the capital power of the commercial banks for the underwriting of general obligation bonds issued by State and local governments broadens and strengthens the market for these public securities and materially benefits the States and their political subdivisions through lower interest rates obtainable through increased competition and also benefits the investing public by enhancing the liquidity and marketability of these bonds.

The participation of the banks in this field has been in the public interest in that—

1. It has broadened the market for State and local government securities and thus reduced the cost of public improvements.

2. In addition to their direct assumption of underwriting responsibilities, the banks have encouraged the organization and growth of small investment banking firms specializing in municipal securities, who have benefited from their favored treatment in underwriting syndicates under bank management.

3. It has enabled the banks to maintain departments capable of advising on local financing policies—advice for which State and local officials normally turn to the banks.

4. The policies and standards of State and local government finance thereby have been improved since the banks have a sense of responsibility to taxpayers and investors because of their own status as public instrumentalities. Further, the banks are subject to State banking departments, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation, all of which exercise supervision and regulation of the conduct of their business and the quality of their investments.

PRESENT LIMITATIONS

Section 5136 of the Revised Statutes (the National Bank Act as amended in 1933 and thereafter) defines the powers of banks to deal and invest in securities, providing generally that dealing shall be limited to purchasing and selling as agent for customers. This limitation however does not apply to certain exempted securities, principally the obligations of the United

States Government and its agencies and the "general" obligations of any State or of any political subdivision thereof. Accordingly, banks may buy and sell these exempted securities as principals for their own accounts or for the account of others. These exemptions continued in effect the powers possessed by the banks prior to 1933, to underwrite and deal in public securities.

THE NEED FOR AMENDMENT

While the banks have always underwritten public securities, they have been limited to "general" obligations of the States and local governments. Since 1939, "general" obligations have been construed by the supervisory authorities as including only those obligations secured by ad valorem taxes on real property (notwithstanding that, prior to 1939 and consistently with the legislative history of the Glass-Steagall Act of 1933, the supervisory authorities had held since 1934 that banks were permitted to underwrite and deal in revenue bonds of the Port of New York Authority and the Triborough Bridge and Tunnel Authority which issued only one class of security to which all net revenues were pledged and which, therefore, were held to be general obligations of the issuer).

As a result, with the new forms of public borrowing which have developed, there are many high-grade revenue bonds issued by State and local governments for self-supporting public improvements or on the security of specifically pledged tax receipts. The banks cannot now underwrite these public securities. The change in methods of public financing is resulting in the loss of the availability of the capital power of commercial banks for underwriting a generally increasing proportion of financing required of State and local governments to carry out necessary public facilities and improvements, and the need for such underwriting power is increasing with the wider use of special purpose issues. This is clearly illustrated in the following table (using the totals compiled by the Daily Bond Buyer) which shows that during the most recent 3 year period 1952–54 the proportion of the total of all State and local government financing which was nongeneral obligation in form and therefore not eligible for bank underwriting was more than 35 percent. In 1954, the proportion of nongeneral obligation State and local government financing reached 46 percent of the total.

	Total new issues, State, municipal, and agency	General obligations	Nongeneral	Percent, nongeneral to total
1945	$818,781,000	$615,382,000	$203,399,000	24.8
1946	1,203,557,000	997,697,000	205,860,000	17.1
1947	2,353,771,000	1,968,081,000	385,690,000	16.4
1948	2,989,731,000	2,440,230,000	549,501,000	18.4
1949	2,995,425,000	2,312,472,000	682,953,000	22.8
1950	3,693,604,000	3,093,681,000	599,923,000	16.2
1951	3,278,153,000	2,548,058,000	730,095,000	22.3
1952	4,401,317,000	2,937,967,000	1,463,350,000	33.2
1953	5,557,887,000	3,990,641,000	1,567,246,000	28.2
1954	6,953,304,000	3,738,923,000	3,214,381,000	46.2

The 46.2 percent of the total of 1954 State and local government financing which was non-general obligation in character amounted to $3,214,381,000. Of this amount, 128 issues totaling $1,774,377,000—about 55 percent—were eligible for purchase by commercial bangs for their own account. Under the proposed amendment of section 5136 of the revised statutes, as amended, these obligations would also be eligible for bank underwriting, as well as for bank purchase. A list of these 1954 State and local government issues is attached hereto.

In this connection, it is to be noted that many of the revenue bond issues for new construction projects which, under the proposed amendment, would not be eligible either for bank purchase or bank underwriting at the time of original issue, would later become eligible as proven earnings records were established. As a result, bank underwriting would, in many cases, be available when it became desirable to refund or refinance the original bond issues.

These data evidence the great and constantly growing need for an amendment to afford State and local governments the assistance of bank underwriting of public securities of this type.

INCREASING USE OF PUBLIC AUTHORITIES

When the Glass-Steagall Act was enacted by Congress there were few public authorities in existence in this country. Since that time, however, the use of public authorities as a means of financing the construction or acquisition of public improvements has become widespread and many types of securities are now being issued by these authorities which were unknown in the year 1933. Many of these obligations are payable, indirectly, by the levy of ad valorem taxes levied throughout the State or throughout a political subdivision of the State. These obligations, while issued in the name of the authority, for all practical purposes are the obligations of the State or of the political subdivision for the benefit of which the bonds were issued. Obligations of this character are now being issued in many parts of the country. A few examples may be cited to show the character of the obligations and their intrinsic merit.

The State Bridge Building Authority of Georgia is authorized to build bridges and lease them to the State highway board for a rental sufficient to pay the cost of construction, operation, and maintenance of the bridges and the debt service requirements of the bonds issued for their construction. The security of these bonds, therefore, for all practical purposes is the cerdit of the State of Georgia. Similarly, the State School Building Authority of the State of Georgia is authorized to construct school buildings and to lease them to various political subdivisions at a rental sufficient to pay the cost of construction, operation, and maintenance of the buildings, and the debt service of the bonds issued to construct them. In addition to the obligation to pay the rental being a general obligation of the political subdivision which leases the school buildings, the law requires the State board of education to pay, directly, to the authority so much of the State aid which is allocated to such political subdivision as may be necessary to meet the rental payments, so that for practical purposes the bonds of the authority are secured by the general credit of the political subdivision which leases the buildings, as well as by moneys, raised by general taxation throughout the State of Georgia, which are allocated to such political subdivision.

In the same State, the State office building authority and the State hospital authority are authorized to construct office buildings and hospitals and to lease such buildings and hospitals to the State at a rental sufficient to pay the cost of operation and maintenance of the buildings and the debt service of the bonds issued for their construction. The credit of the State of Georgia is, therefore, indirectly pledged for the payment of these bonds.

In Kentucky, the State property and building commission is authorized to issue bonds for the purpose of constructing buildings to be leased to State agencies, and the Kentucky Highway Authority is authorized to issue bonds for highway purposes payable solely from rentals derived from leases of these properties to the State highway department. As the obligation of the State to pay these rentals is a general obligation of the State of Kentucky, it is evident that, indirectly, the credit of the State of Kentucky is the security for these bonds. In the State of Michigan, joint city-county building authorities are authorized to issue bonds for the purpose of erecting public buildings to be leased to joint governmental units. The obligation to pay the rentals is the general obligation of the governmental units which lease the buildings and, therefore, indirectly the general credit of these governmental units is the security for the payment of the bonds. In Pennsylvania, the general State authority, the State public school building authority, and the State highway bridge authority are authorized to issue bonds to finance the construction of bridges, tunnels, highways, school buildings, and many other types of public improvements, and to lease these improvements to the State or to political subdivisions at an annual rental sufficient to provide for the payment of the bonds.

The Florida State Improvement Commission is authorized to issue obligations for the construction of various types of public improvements and to lease such improvements to the State or to any political subdivision of the State at an annual rental sufficient to provide for payment of the principal and interest of the bonds.

There is attached hereto a summary statement of various types of public authorities which issue revenue bonds secured by leases, etc.

Many obligations of this type are securities of the very highest grade. For all practical purposes they are the obligations of the lessee of the improvement for which the bonds were issued, and were it not for the fact that the bonds are issued in the name of the lessor rather than in the name of the lessee, they would be eligible securities for bank underwriting and investment. Their exclusion from the class of eligible securities is due to form and not to substance.

Moreover, in recent years a number of the States have issued bonds which are not general obligations but for the payment of which are pledged the avails of a specific tax, such as the gasoline tax, sales tax, tobacco tax, and automobile license tax. The reliability and sufficiency of these taxes over a period of years is a matter of public record, and it is not necessary to make a further pledge of the general credit of the issuer in order to give these bonds a high investment quality. For a variety of reasons there is a persistent trend toward the issuance of such bonds. This type of governmental financing was not usually resorted to in the United States as early as the year 1933.

THE LEGISLATIVE HISTORY OF THE GLASS-STEAGALL ACT OF 1933 SHOWS THAT SUCH OBLIGATIONS WERE NOT INTENDED TO BE EXCLUDED FROM BANK UNDERWRITING

The debate upon the Glass-Steagall Banking Act in the Senate clearly demonstrates that Congress was willing to permit banks to underwrite and invest in bonds of the States and of their political subdivisions, with the exception of bonds which were payable, solely, from special assessments levied upon property located in the portion of the subdivision presumed to be specially benefited by the improvement to finance which the bonds were issued. Such bonds were not regarded as sufficiently safe and liquid to make them desirable securities for bank investment or underwriting, but there is nothing in the debate which would indicate that Congress was of the same opinion with respect to any

other type of public security. What Congress was concerned with as to public securities was whether the securities were sound and liquid, and not with the means provided for their payment. Consistently with this legislative intent of the Congress, the proposed amendment would not permit bank underwriting of bonds payable solely from special assessments levied upon specially benefited property.

THE INVESTMENT QUALITY OF REVENUE BONDS

Revenue bonds which banks would be permitted to underwrite pursuant to the proposed amendment (i. e., State and local government obligations which qualify for bank investment) would be generally comparable in investment quality to the general obligations of State and local governments which, under the present statutory limitation, banks are now permitted to underwrite.

It has been suggested by some that revenue bonds as a class are of a generally lower investment quality than general obligation bonds. In support of such suggestion, resort is made to a comparison of the ratings given by Moody's Investors Service to general obligation bond issues of $5 million or over issued over the 5-year period from 1949 to 1953 with revenue bonds issued during the same period. Such a comparison, however, does not accurately reflect the facts which are pertinent to forming a reasoned and intelligent judgment on this point.

The lack of a Moody's Investors Service rating of a bond issue is not evidence of poor quality. The proportion of revenue bonds not rated by Moody's is due to the fact that most of them were very large issues. The large unrated issues number only 2 percent of the number of loans financed during the years 1949–53, and emphasis on this small number of borrowers merely distracts attention from the fact that hundreds of small communities which borrow for improvement of their water, gas, electric, and sewer systems need the help of their local bankers far more than the major borrowers. Most of the unrated construction loans of the past 5 years have been for the construction of toll roads, but there is another large and growing classification of nongeneral obligations, particularly those secured by leases payable from general fund revenues of States and municipalities.

Further, during the period 1949 to 1953, a very large percentage of revenue bond issues of $5 million or over were issued for the construction of toll highways, toll bridges, and other construction projects. Moody's does not ordinarily rate such bonds. A much fairer comparison is obtained by considering the ratings given by Moody's Investors Service to the general obligation bonds and revenue bonds of the same issuers. Moody's 1954 Manual lists 131 municipalities which have issued both general obligation bonds and revenue bonds. For 29 of these municipalities all revenue bonds were rated higher than the general obligation bonds. For 79 municipalities many revenue bonds had the same rating as general obligations, others were given higher ratings, and a few were given lower ratings. In only 23 municipalities were the revenue bond issues all rated lower than the general obligations. Equally interesting is the fact that of the 178 various purpose groups of revenue bonds rated under the names of these 131 municipalities, 3 revenue credits are rated AAA, 47 are rated AA, 74 are rated A, 50 are rated BAA, all within the usually accepted standard of investment quality; and only 4 are rated BA.

This comparison refutes any suggestion that revenue bonds, as a class, are inferior in investment quality to general obligation bonds. There are, of course, differences in the investment quality of revenue bonds. The same is true of general obligation bonds. It is evident, however, from this comparison of Moody's ratings that the revenue bonds of any issuer may have an even higher investment quality than the general obligation bonds of that issuer.

RELATIONSHIP TO TRUST ACCOUNTS

During more than 20 years of major participation in the underwriting of general obligation bonds of State and local governments, the banks have scrupulously observed sound practices with respect to the investment of trust funds in State and local government bonds.

Throughout the United States it is a fundamental principle of common law as interpreted by the courts, that a trustee may not benefit itself or any affiliate in administering trust funds. In many States this rule is specifically stated in the statutes. For example, in New York State banking law, article 3, section 100-b, there appears this line: "But no corporate fiduciary shall purchase securities from itself." Regulation, F of the Board of Governors of the Federal Reserve System relating to trust powers of national banks contains in section 11, paragraph (a), "Funds received or held by a national bank as fiduciary shall not be invested in stock or obligations of, or property acquired from, the bank or its directors, officers or employees, or their interests, or in stock or obligations of, or property acquired from, affiliates of the bank."

Banks which have been active in dealing in State and local securities have followed the rule that they will not buy bonds of an issue underwritten by the same bank, or an affiliate, until the original distribution is completed so that the trustee bank has no further interest in the sale of bonds by the underwriting syndicate. As a rule, this abstinence does no harm to a trust or its beneficiaries since the unlisted market for State and local securities at any given time offers an extremely wide choice of credits running 1,000 or more in number, while any given trustee bank through its underwriting department would ordinarily be participating in not more than 5 percent of the number of different credits. For example, "The Blue List of Current Municipal Offerings" of January 14, 1955, included offerings of 1,028 different issuers totaling $279,387,038 in amount.

In specific cases in which the trust department of a given bank has a special interest in a forthcoming offering of bonds, the underwriting department of that bank refrains from participation. This is a matter of judgment just as in the case of any other conflict of interest. The record shows that in case of any conflict with customer relations, the commercial banks always subordinate their security sales business.

From the viewpoint of the investor, the approval of a municipal credit by a commercial bank underwriter is the greatest possible assurance of quality; first because the commercial bank is closely supervised and restricted by the Comptroller of the Currency and the Federal Reserve Board in its own judgment of quality; and second, because the underwriting commercial banks follow the criterion that they will offer to customers only those credits which they accept as satisfactory for their own investment.

THE AMENDMENT WOULD PROMOTE THE PUBLIC INTEREST

Amendment of the present statutory limitations to permit bank underwriting of nongeneral obligations issued by State and local governments which qualify for investment of their own capital funds would encourage increased competition. Such increased competition would facilitate State and local government financing of necessary public improvements on better terms.

It has been suggested that bank capital is not needed in revenue bond financing. In support of such suggestion it is said that there is no known instance where the lack of available dealer capital has been responsible for the abandoning of a project by a governmental authority.

This is not the basic point. The merits of the need for amendment cannot be fairly tested on the basis of whether bank capital is essential to any particular underwriting—the real test is whether bank participation would enable such loan to be made more advantageously—on better terms. The experience of States and municipalities in selling their general obligation bonds has proved that the broadest possible competition for such issues tends to lower financing costs. No matter who underwrites the bonds of a particular issue, its marketability is the better for having had the benefit of this broader interest. Assuming that one syndicate acts in complete good faith in appraising the value of a public-bond issue; if another syndicate can be organized to compete, its members because of a different approach or more confidence in the market, or greater capital power, may place a higher valuation on the issue and thus underwrite at lower cost to the borrower.

CONCLUSION

State and municipal finance is not static, and it is neither logical nor reasonable to regard as immutable congressional legislation affecting it. The Glass-Steagall Act, like any other law, should be constantly reexamined by Congress in the light of changing conditions, and there has been a remarkable change in conditions since the year 1933. The proposed amendment does not involve any drastic change in that act, nor any change in its fundamental purpose. On the contrary the proposed amendment would carry out the original purpose of the Glass-Steagall Act in the light of developments in the field of public finance since the year 1933.

STATE, STATE AGENCY, AND LOCAL GOVERNMENT REVENUE BONDS ISSUED IN 1954 WHICH ARE ACCEPTABLE FOR BANK INVESTMENT AND WOULD HAVE BEEN ELIGIBLE FOR BANK UNDERWRITING UNDER THE PROPOSED AMENDMENT OF SECTION 5136

Department water and power, city of Los Angeles, Calif., $9,000,000.

Salt River project agricultural bonds, $5,000,000.

Cedar Rapids, Iowa, sewer revenue bonds, $1,000,000.

Corpus Christi, Tex., water works revenue, $2,715,000.

Glendale, Calif., electric works revenue, $1,000,000.

Daytona Beach, Fla., water and sewer revenue, $5,330,000.

Carlisle Area Joint School Authority, Pennsylvania, $3,640,000.

Jefferson County, Ky., school revenue, $3,940,000.

Muncie, Ind., sewer revenue, $3,600,000.

McMinneville, Tenn., water and sewer revenue, $1,000,000.

Muskogee, Okla., water works improvement bonds, $2,000,000.

Lubbock, Tex., water works system revenue, $1,000,000.

Monroe, La., water and electric revenue, $1,620,000.

Jones Beach State Parkway Authority, $40,000,000.

Birmingham, Ala., water work board revenue, $4,000,000.

State school building authority of Georgia revenue, $32,512,000.

Lawrence, Kans., water and sewer system revenue, $3,000,000.

Corpus Christi, Tex., water works and sewer revenue bonds, $8,900,000.

Tacoma, Wash., light and power revenue, $5,000,000.

Upper Moreland School District Authority (Pa.), $1,000,000.

Tucson water revenue, Arizona, $3,110,000.

Falls Township School District Authority (Pa.), $3,450,000.

Fort Worth, Tex., water and sewer revenue bonds, $3,000,000.
Detroit, Mich., sewage disposal system revenue bonds, $2,000,000.
Omaha public power district electric revenue, Nebraska, $12,000,000.
Bloomington, Ind., water works revenue, $1,500,000.
Austin, Tex., electric, water and sewer revenue bonds, $15,000,000.
Purdue University revenue, Indiana, $10,250,000.
Michigan highway revenue, $10,000,000.
Cleveland, Tenn., water and sewer revenue, $1,000,000.
New Chicago, Ind., water revenue, $1,100,000.
South Bend, Ind., sewerage works revenue, $17,000,000.
Lexington, N. C., natural gas system revenue, $1,035,000.
Board of Regents, University of Utah, $1,800,000.
Central Dauphin County Joint School Authority (Pa.), $2,520,000.
Board of Regents of Kansas building revenue, $2,000,000.
Portland, Maine, water district, $1,300,000.
Port of New York Authority, $20,000,000.
Atlanta water works revenue (Ga.), $2,200,000.
Livonia, Mich., water supply system revenue, $1,500,000.
Los Angeles department of water and power, $15,000,000.
New Jersey Turnpike Authority 3s (second series), $27,200,000.
Bowling Green State University, Ohio, $2,350,000.
Rome, Ga., water and sewerage revenue bonds, $1,000,000.
Lafayette, Ind., sewer revenue bonds, $4,550,000.
Chicago, Ill., parking facility, revenue bonds, $4,900,000.
Detroit, Mich., sewage disposal system revenue, $3,722,000.
Metropolitan Utilities District, Omaha, water revenue, $6,000,000.
Pennsylvania State Highway and Bridge Authority, $20,000,000.
Connecticut expressway revenue and motor fuel tax bonds, $100,000,000.
El Paso, Tex., water and sewer revenue, $3,000,000.
State Teachers College Board, Indiana, $2,856,000.
Florida State Improvement Commission Revenue, $6,000,000.
County of Jefferson, Ky., school building authority revenue, $1,385,000.
Jacksonville, Fla., municipal parking revenue, $4,000,000.
Rockville, Md., water and sewer revenue, $1,300,000.
Georgia State Bridge Building Authority, $10,250,000.
Erie Sewer Authority revenue (Pennsylvania), $5,300,000.
Palmyra Boro Authority sewer revenue (Pennsylvania), $2,150,000.
Knoxville, Tenn., water revenue, $1,000,000.
Pasadena, Calif., electric works revenue, $6,000,000.
Saginaw, Mich., sewer revenue, $5,000,000.
Des Moines, Iowa, sewer revenue, $1,000,000.
State Board of Education, Florida, $26692,000.
San Francisco Harbor revenue (California), $5,600,000.
New York State Thruway Authority revenue, $300,000,000.
University of Texas dormitory revenue, $3,042,000.
State Roads Commission of Maryland, $1,290,000.
Board of Water and Sewer Commission Mobile Revenue, Alabama, $6,000,000.
Lakeland, Fla., light and water revenue, $3,500,000.
Kokomo, Ind., sewer revenue, $1,250,000.
General State Authority, Commonwealth of Pennsylvania, $30,000,000.
Jackson, Ohio, first mortgage water works revenue, $1,100,000.
Haverford Township (Pa.) School District Authority revenue, $3,525,000.
Granite City, Ill., sewerage bonds revenue, $1,335,000.
North Texas Municipal Water District revenue, $9,200,000.
Bradenton, Fla., utilities revenue, $2,200,000.
Salt Lake City Suburban District revenue, Utah, $6,000,000.
Consumers Public Power District revenue, Nebraska, $2,250,000.
Manitowac, Wis., electric bonds, $1,250,000.
Henderson, Ky., water and sewer revenue, $2,100,000.
Tampa, Fla., hospital revenue, $4,500,000.
Gainesville, Fla., public improvement revenue, $1,000,000.
Lower Colorado River Authority, Texas, $27,000,000.
Puyallup, Wash., sewer revenue, $1,000,000.
Kansas City, Mo., Broadway bridge revenue, $13,000,000.
State Roads Commission of Maryland, $25,000,000.
Elkhart, Ind., sewer revenue, $2,400,000.
Chelan County Public Utility District No. 1, Washington, $8,600,000.
St. John the Baptist Parish, La., gas and water revenue, $1,760,000.
St. James Parish, La., water revenue, $2,220,000.
Department of water and power of Los Angeles revenue, $19,500,000.
Jersey City Sewerage Authority revenue, New Jersey, $22,000,000.
Louisville and Jefferson County Metropolitan Sewer District, Kentucky, $8,000,000.
Bald Eagle Joint School Authority revenue, Pennsylvania, $2,050,000.
West Snyder County School Authority, Pennsylvania, $1,185,000.
Shelby, N. C., natural gas, $1,200,000.
Louisiana State Building Authority, $3,750,000.
Ohio major thoroughfare construction bonds, series "A" (fuel tax), $30,000,000.
Clarksburg, W. Va., Water Board, first lien water revenue, $1,776,000.
Lafayette, La., utility revenue, $3,000,000.
Wyoming Township, Mich., water revenue, $1,000,000.
Orlando, Fla., public-improvement revenue, $3,000,000.
Thomasville, Ga., gas revenue, $1,500,000.
Greenwood, S. C., public-utility revenue, $1,600,000.
Denton, Tex., electric revenue, $4,300,000.
Hollywood, Fla., sewer revenue, $4,150,000.
Kansas City, Mo., water revenue, $12,000,000.
Cleveland, Ohio, waterworks revenue, $6,000,000.
Cleveland, Ohio, electric revenue, $5,000,000.
Oklahoma Planning and Resources Board, $7,200,000.
Alexandria Sanitation Authority, Virginia, $8,200,000.
Holland, Mich., water-supply system revenue, $2,700,000.
Colorado Springs, Colo., water, electric, and power revenue, $10,000,000.
Wheeling, W. Va., sewer revenue, $2,500,000.
Florida State Board of Education, $16,542,000.
Maryland State Road Commission, $180,000,000.
Board of Water and Sewer Commission, Mobile, Ala., $4,000,000.
State Public School Building Authority, Pennsylvania, $23,610,000.
New York State Thruway Authority, $50,000,000.
Orlando Utilities Commission, Florida, $4,000,000.
San Jose, Calif., offstreet parking revenue, $2,450,000.
Louisiana State Building Authority, $2,500,000.
Florida State Improvement Commission revenue, $3,400,000.
Puerto Rico Water Resources Authority, $12,500,000.
Department of Waterworks of Hammond, Ind., $3,600,000.
New York State Power Authority, $335,000,000.
Corpus Christi, Tex., sewer-improvement revenue, $1,365,000.
Total, $1,774,377,000.
Issues, 128.

DESCRIPTION OF VARIOUS PUBLIC AUTHORITIES WHICH ISSUE REVENUE BONDS SECURED BY LEASES, ETC.

GEORGIA STATE SCHOOL BUILDING AUTHORITY

Bonds are secured by a prior lien on rentals received from county boards of education and governing bodies of independent school systems within the State pursuant to lease agreements. The rentals, payable each September 1, are sufficient to pay interest and retire bonds at maturity, to provide hazard reserve for insurance, maintenance reserve and operating funds. The State board of education, a party of all lease agreements between local units and the authority, pays the above rentals on behalf of local units directly to the authority.

GEORGIA STATE BRIDGE BUILDING AUTHORITY

Bonds are payable from pledge of rentals derived from lease to State highway department of certain bridges. Annual rentals cover debt service and cost of operating and maintenance costs of said bridges.

GEORGIA STATE OFFICE BUILDING AUTHORITY

Bonds secured by prior lien on revenues received from various State departments and State agencies. Rentals to be charged each lessee, $3.50 per square foot annually, subject to increase if inadequate, are payable quarterly until October 15, 1978 or retirement of bonds, whichever is later.

GEORGIA STATE HOSPITAL AUTHORITY

Bonds secured by revenues from rentals and income received under terms of leases to the State board of health. Lessee agrees to pay quarterly an amount equal to bond requirements and reserve therefor.

STATE HIGHWAY AND BRIDGE AUTHORITY OF PENNSYLVANIA

Bonds are secured by pledge of rentals payable by the Commonwealth of Pennsylvania covering projects leased by the authority to the Commonwealth at annual rentals sufficient to meet the annual principal and interest requirements.

GENERAL STATE AUTHORITY OF THE COMMONWEALTH OF PENNSYLVANIA

Bonds secured by pledge of all rentals payable by State of Pennsylvania from its current revenues under leases covering projects leased by the authority to the State, which leases are to provide for payments at annual rentals sufficient to meet annual principal and interest requirements.

PENNSYLVANIA STATE PUBLIC SCHOOL BUILDING AUTHORITY

Bonds secured by pledge of leases between authority and certain school districts and which the school districts are obligated to pay out of their current revenues including taxes and reimbursements from the State. Rentals on all leases pledged are sufficient to cover 122 percent of the principal and interest requirements on all such bonds.

MARYLAND STATE ROADS COMMISSION

Bonds are secured by an annual tax consisting of such amounts as may be necessary of—(a) the proceeds of the 2-percent excise tax on the issuance of certificate of title for motor vehicles, and (b) a 50-percent share of the gasoline-tax fund allocated to the commission.

LOUISIANA STATE BUILDING AUTHORITY

State law provides for servicing of authority's bonds and prior charges from proceeds of the 1.47-mill State ad valorem tax on all taxable property within the State after payment of principal and interest on certain bonds of the State.

OKLAHOMA PLANNING AND RESOURCES BOARD

Bonds are secured solely from pledge of revenues from park system earnings as follows:

1. Specified minimum lease rentals from concessionaires or specified percentages of lessees' gross revenues, whichever is greater.
2. Gross revenues of facilities operated directly by the State, and
3. Pledge of State to collect, to the extent when necessary when receipts from (1) and (2) are insufficient, admission fees to improved areas of each and every State park.

DETROIT-WAYNE JOINT BUILDING AUTHORITY

Bonds payable from proceeds of fixed annual rentals by the city of Detroit and by Wayne County in amounts sufficient to pay interest and principal.

ALABAMA AGRICULTURAL CENTER CORP.

Bonds secured by pledge of resources of special agricultural center fund into which are deposited rentals paid by agricultural center board. Bonds carry an additional pledge of amounts, if needed, from a special agricultural fund deposited in the State treasury.

ALABAMA BUILDING CORP.

Bonds secured by leases to various State departments and agencies. Current debt service constitutes a prior claim on rentals, ahead of all other claims.

ALABAMA STATE DOCKS BOARD

Bonds secured by pledge of lease agreements with the city of Mobile. There is provision for accrual and maintenance of a reserve fund sufficient to pay principal and interest for 24 months in advance and for use of part of earnings under certain conditions for retirement of bonds.

FLORIDA STATE BOARD OF ADMINISTRATION

Bonds issued on behalf of counties and special districts are secured by the unit's distributive share of a statewide 2-cent-per-gallon tax on gasoline and other motor fuels, and are further secured by full faith, credit, and taxing power of the local unit.

FLORIDA STATE ROAD DEPARTMENT

Bonds are secured by leases of the various properties to the State of Florida. In the majority of cases the rental obligations are equal to aggregate debt-service requirements on lessor bonds issued in acquisition of the projects. All rental contracts between the department and the various instrumentalities provide for purchase by payment of the rentals; title to vest in the State on completion of the payments.

ILLINOIS ARMORY BOARD

Bonds are secured by leases of armories and assigned to a trustee. All rentals under these leases are paid directly by the State to the trustee, to be used for payment of principal and interest.

LOUISIANA STATE BOARD OF EDUCATION

Bonds are secured as to payment solely by an irrevocable dedication of an amount sufficient to pay principal and interest on the bonds and any required reserves from the annual franchise tax on corporations levied by authority of the State legislature.

MAINE SCHOOL BUILDING AUTHORITY

Bonds secured by lease agreements with town and community school districts providing for rentals to be paid by the communities sufficient to pay principal and interest on certain administrative expenses. Further provision is made that if the municipality is delinquent in payments to the authority the State department of education "shall make payments to the authority in lieu of such town, city, or community school district from any amount properly payable to such town, city, or community school district by said department."

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO TOTAL DISABILITY INSURANCE BENEFITS

Mr. KENNEDY. Mr. President, I introduce, for appropriate reference, a bill to amend title II of the Social Security Act to provide disability-insurance benefits for totally disabled individuals, to provide benefits for the wives and minor children of such individuals, to reduce from 65 to 60 years the age at which women may qualify for old-age and survivors insurance benefits, and to provide extra credit for postponed retirement. I ask unanimous consent that a statement, prepared by me, relating to the bill, be printed in the RECORD.

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

The bill (S. 2293) to amend title II of the Social Security Act to provide disability-insurance benefits for totally disabled individuals, to provide benefits for the wives and minor children of such individuals, to reduce from 65 to 60 years the age at which women may qualify for old-age and survivors insurance benefits, and to provide extra credit for postponed retirement, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Finance.

The statement presented by Mr. KENNEDY is as follows:

STATEMENT BY SENATOR KENNEDY

I am introducing today a bill to amend the Social Security Act by providing for a system of flexible retirement. Specifically, my bill would amend the old-age and survivors insurance law in three ways:

1. To lower from 65 to 60 the age at which women—as workers, spouses, or widows—become eligible for social security benefits.
2. To enable workers forced to retire before age 65 due to a permanent and total disability to become eligible immediately for retirement benefits; and
3. To increase a worker's benefit by 2 percent for every year that he postpones his retirement past age 65.

FLEXIBLE RETIREMENT

Before discussing each of these parts individually, I would like to say a word about the age of 65 in our social security laws. Under the influence of these laws 65 has become institutionalized as the age of retirement in industry and elsewhere. A deplorable number of industries have established compulsory retirement systems which require withdrawal from the labor force at that age, no matter how able and willing a worker might be. Our statistical studies lump those in the age brackets above 65 under the single term "the aged." Yet there is no magic in the number 65, and to apply this single chronological age as a standard by which all individuals are to be measured, regardless of their physical and mental age, is unrealistic and impractical. Some must retire before age 65; others should be encouraged to postpone their retirement to a later date.

The three amendments I am introducing today—each of which I have proposed in previous years—are designed to meet this problem. The total level premium cost for this bill, in terms of a percentage of payroll, is considerably less than 2 percent, an increase which could be easily met once such a bill is enacted by adjusting the present schedule for increasing the contribution rate.

First, we must lower the social security eligibility age for women from 65 to 60, if we are to modernize the law on the basis of more up-to-date statistics. Both public and private studies have indicated that 60 is the retirement age for women under many of our industrial pension and compulsory retirement plans; and women forced to retire under such programs, or who become unemployed at that age, are generally unable to secure new employment, particularly with companies who establish age qualifications for employment. As a result, these women workers are forced to find other means of support for the 5-year period before their social-security payments will begin. Similarly, such studies indicate the tendency of American men to marry women several years younger than themselves; and to require women to be as old as their husbands in order to receive a spouses benefit is thus both unrealistic and discriminatory. The identical problem faces widows who must wait until age 65 before becoming eligible for social security survivors benefits. Many of them receive benefits while they have children under the age of 18. But these benefits end when the last child passes that age, and do not begin again until the widow reaches age 65, creating a gap in their income which appears capricious and arbitrary.

Secondly, we must enable workers forced to leave their jobs before the age of 65 because of a permanent and total disability to receive the retirement benefits for which they have paid at that time. Disability—which is included in practically every other social-security program in the world, including our own civil service, Armed Forces, veterans, railroad retirement, and many of our State and local public employees programs—is the most serious gap in our social-security laws today. If a worker is forced to retire because of old age, he receives benefits. If he loses his job before the age of 65, he gets unemployment benefits. If he dies before the age of 65, leaving an aged widow or dependent children, his survivors get benefits. But if he is forced to retire before the age of 65 because of disability, he gets nothing, even though he has contributed to social security since that system began.

I received a letter recently from a 60-year-old constituent, with a wife and young daughters, who was forced to retire because of a back injury. Although he had been assured for nearly 20 years that the social-security contribution deducted form his paycheck was like savings in the bank, he now finds himself unable to draw upon those savings for 5 years. Like 19 out of 20 disabled workers, his injury was not work connected and cannot qualify him for workmen's compensation. For the next 5 years, he will be forced to rely upon what few savings he has left, and then upon the charity of his community and friends. He needs his social-security benefits now far more than he would at age 65—for his children are still growing and his medical expenses are heavy. Ironically enough, if he had died as a result of his injuries, his family would have received benefits immediately—but his disability, which adds an extra dependent and extra expenses, brings them nothing.

For these reasons, I urged the Congress to adopt the recommendation made in 1938 by the Social Security Advisory Council (whose members included the present Under Secretary of the Treasury, Marion Folsom); the 1948 recommendation of the Social Security Advisory Council appointed by the Republican 80th Congress; and the 1955 recommendation of the Commission on Chronic

illness, in a report approved by representatives of the American Medical Association, the American Hospital Association, the American Public Health Association, and others, including insurance interests. Such legislation passed the House of Representatives in 1949; but was restricted by the Senate to the public assistance program, a program which will become continually more expensive to the taxpayers as the number of disabled in an increasingly aged population grows.

A program of disability insurance, as proposed in my bill, would be fairer to our disabled workers who now lack all protection; fairer to the taxpayers who must pay for a program that should be equally borne by the payments of the employees and employers themselves; and fairer to those employers now bearing the total cost of disability provisions in their pension and welfare plans. There is, moreover, the danger that failure to meet this problem will increase pressures for a general reduction in the retirement age for all persons, a proposal which, if adopted, would deplete the social-security trust fund and run counter to our social and economic needs.

Previous objections to such a program have been removed, first, by experience under the other Federal disability programs mentioned and most recently under the disability freeze provision adopted by Congress 1 year ago. Under this program, the Department of Health, Education, and Welfare, with the cooperation of the American Medical Association, has established a medical advisory committee to process the applications of those permanently and totally disabled individuals who wish to have their social-security benefits frozen—without reduction for years of idleness—until they reach age 65. The freeze, of course, does not provide any income for the disabled worker during those difficult years before he reaches age 65.

Once his own resources are totally exhausted, he may, if he wishes, seek public assistance or private charities; but this is hardly designed to encourage his rehabilitation and decent living standards. My amendment, building upon the medical certification provisions already in the law under the disability freeze, would fill this deplorable void.

Third, Congress should increase—by 2 percent under my bill—a worker's benefit for every year that he postpones retirement past age 65. Such an amendment would encourage a more flexible retirement age instead of institutionalizing the age of 65; and it would encourage those who have reached that eligible age to stay on the job. Those workers who postpone retirement after age 65—who are contributing to the fund instead of drawing from it are saving the system money. But by doing so they are reducing the level as well as the value of their own ultimate benefits, in view of census data indicating the sharp decline in average wages after age 65. If, by providing a slightly higher benefit, we can encourage more workers to stay on the job at advanced ages, we will reduce the burden on the trust fund, or the public-assistance programs and/or the families of older workers' burdens which have increased sharply in the 20th century as the life span increases while opportunities for older workers decline. The average worker today can anticipate nearly twice as many years in retirement as his 1900 counterpart, nonproductive years which must be paid for from his savings or from the savings of others. Surely it would be wiser to utilize the skills of these older workers—who constitute a large share of urgently needed craftsmen and foremen—than to force them into the lower living standards and purchasing power of retirement.

BRIDGE ACROSS THE MISSISSIPPI RIVER AT OR NEAR ROCK ISLAND, ILL.

Mr. DOUGLAS. Mr. President, I introduce for appropriate reference a bill authorizing the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill. I ask unanimous consent that the bill, together with a statement which I have prepared, relating to the bill, be printed in the RECORD.

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

The bill (S. 2298) authorizing the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill., introduced by Mr. DOUGLAS, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the first section of the act entitled "An act authorizing the city of Rock Island, Ill., or its assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near Rock Island Ill., and to a place at or near the city of Davenport, Iowa," approved March 18, 1938, is amended by inserting "(a)" immediately after "That" and by adding at the end thereof the following new subsection:

"(b) The city of Rock Island Ill., or any State or political subdivision thereof which may have acquired the bridge constructed pursuant to the subsection (a) of this section, is hereby authorized, subject to the prior approval of the plans by the Chief of Engineers and the Secretary of the Army, to reconstruct and enlarge such bridge, and to reconstruct, enlarge, and extend the approaches to such bridge including, but not limiting the generality of the foregoing the altering, widening, laying out, opening or constructing of any streets, avenues, or boulevards within or without any municipality deemed necessary by said city, or any State, public agency, or political subdivision that may take over or acquire said bridge in order to provide adequate traffic regulations and approach or approaches to said bridge."

SEC. 2. Section 2 of such act of March 18, 1938, is amended by inserting "(including reconstructing, enlarging, and extending such bridge and its approaches)" after "and its approaches."

SEC. 3. Section 4 of such act of March 18, 1938, is amended to read as follows:

"SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches (including the reasonable cost of reconstructing, enlarging, and extending such bridge and its approaches) under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 30 years from the completion of the reconstruction, enlargement, and extension of such bridge and its approaches as provided in subsection (b) of the first section of this act. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated in accordance with such arrangement as may be agreed upon by the city of Rock Island, Ill., or its assigns, and the State highway departments or other appropriate agencies of the States of Iowa and Illinois. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; the expenditures for reconstructing, enlarging, and extending the same; and all of the daily tolls collected shall be available for the information of all persons interested."

The statement presented by Mr. DOUGLAS is as follows:

STATEMENT BY SENATOR DOUGLAS

The great quad-city area composed of Rock Island, Moline, and East Moline, Ill., and Davenport, Iowa, is divided by the Mississippi River. More than 200,000 people reside within this area and cross and recross the Mississippi River in going to and from their employment and pursuits. There is a large volume of through traffic which goes through these cities. In 1938 the Congress passed legislation permitting the construction of a bridge across this river and permitting toll charges to pay for the bonded indebtedness. Since that date traffic along and upon the bridge has increased manyfold—and particularly truck traffic—to an estimated 414,000 trucks in 1954. Other vehicular traffic aproached 3,600,000 for 1954.

The area must meet the increased demand now made upon it, and I am therefore introducing a bill which will amend the 1938 act by permitting an additional widening of the approaches to the bridge and repairs upon the bridge to permit a free and uninterrupted flow of traffic through this area and to provide special routes around the city of Rock Island for the heavy truck traffic which uses the bridge.

Sufficient safeguards are incorporated within the bill to insure a reasonable toll charge and for the proper application of the funds received for the retirement of the bonds and the ultimate opening of the bridge for free usage.

PROBLEMS CONFRONTING THE AMERICAN SUGAR PRODUCERS (S. DOC. NO. 56)

Mr. BARRETT. Mr. President, I ask unanimous consent that the statements made yesterday on the floor of the Senate with reference to the sugar problem be printed as a Senate document.

Mr. JOHNSON of Texas. Mr. President, I have discussed this question with the able Senator from Wyoming, and I am informed that he has talked with the minority leader about it. The majority leader has no objection.

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

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT—CHANGE OF REFERENCE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Public Works be discharged from the further consideration of the bill (S. 2188) to amend the Watershed Protection and Flood Prevention Act to provide that the Federal Government shall pay a portion of the costs of certain works of improvement constructed for purposes of water conservation, and that the bill be referred to the Senate Committee on Agriculture and Forestry. In explanation of this request, let me say, that I am informed by the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] that the bill comes appro-

priately within the jurisdiction of that committee. I am informed by the distinguished parliamentarian that he concurs, and that a mistake was made in the original reference.

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

GENERAL GOVERNMENT MATTERS APPROPRIATIONS, 1956 — ADDITIONAL CONFEREE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Arizona [Mr. HAYDEN] be appointed an additional conferee on the part of the Senate on the bill (H. R. 6499) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1956, and for other purposes.

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

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

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

By Mr. CLEMENTS:

Address delivered by Senator ANDERSON, chairman of the Joint Committee on Atomic Energy, before the Interstate Oil Compact Commission, in Denver, Colo., on June 17, 1955.

By Mr. LEHMAN:

Statements by himself and Judge Samuel Rosenman, special counsel for the New York Power Authority, regarding contract between the Aluminum Company of America and New York Power Authority.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. KILGORE. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Ronald N. Davies, of North Dakota, to be United States district judge for the district of North Dakota, Vice Charles J. Vogel, elevated.

George S. Register, of North Dakota, to be United States district judge for the district of North Dakota, to fill a new position.

Notice is hereby given to all persons interested in these nominations to file with the committee on or before Wednesday, June 29, 1955, any representations or objections in writing they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

UNITED NATIONS ATOMIC RADIATION STUDY

Mr. PAYNE. Mr. President, it was gratifying to learn from the newspapers this morning that Ambassador Henry Cabot Lodge announced at the United Nations meeting in San Francisco, on yesterday, that at the General Assembly meeting in September, the United States will propose a U. N. study of the effects of radioactivity on living things.

As some Senators may recall, on April 13 I introduced Senate Concurrent Resolution 22, calling for such a study. Twenty-seven other Senators, including eight members of the Senate Foreign Relations Committee, cosponsored that resolution. The American Federation of Scientists, which is strongly in favor of such a U. N. study, also endorsed the resolution.

Although the Senate has not yet had an opportunity to act on the resolution, it is good to know that the administration has decided to go ahead with such a study. I feel that Ambassador Lodge's announcement will do much good. However, I would still like to see the Congress adopt Senate Concurrent Resolution 22. There then would be no possible doubt in the minds of neutral nations and our allies that the United States was solidly behind this proposal once again to exert our moral leadership in world affairs.

It is my firm belief that the proposal will give the United States an opportunity to alleviate much of the fear of nuclear devices and the suspicion of itself which are so common in many parts of the world today. Although many questions concerning the effects of radioactivity on living things are as yet unanswered, the work of the Atomic Energy Commission indicates that at the present time there is no reason for alarm.

But since many nations, particularly those of Asia, do not share this view, it is entirely proper that the United States should forthrightly declare itself in favor of making an international study. This is the best proof we can possibly give of our humanitarian motives and the fact that no nation need fear that the United States will ever, either intentionally or unintentionally, use its mighty atomic power for any purpose but to defend itself in time of war and to advance the welfare of mankind in time of peace.

Finally, cooperation among nations in meeting what could some day be a serious threat to all men can, perhaps, help pave the way to the solution of more complex political problems. If the Soviet Union refuses to cooperate fully and sincerely in this matter, that will be another indication to the entire world of her utter disregard for the peace and security of all mankind.

Since the text of Ambassador Lodge's remarks is not available today at the State Department, I ask unanimous consent that an article from the Washington Post and Times Herald of this morning be printed at this point in the RECORD.

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

UNITED STATES URGES FALLOUT DATA WORLD POOL—LODGE PROPOSES U. N. INVESTIGATE EFFECTS OF NUCLEAR TESTS ON HUMANITY

SAN FRANCISCO, June 21.—The United States announced here tonight it will propose that the United Nations assemble all the world's available information on the effects of nuclear radiation from atomic tests "so that all nations can be satisfied that humanity is not endangered by these tests."

Such accumulated data, said Henry Cabot Lodge, Jr., American Ambassador to the U. N., "could set at rest unjustified fears, combat sensational distortion in the light of truth, and lead to humanity's learning how to deal best with problems of atomic radiation."

Lodge declared "the best scientific information known to us shows that properly safeguarded nuclear testing, in contrast with nuclear warfare, is not a threat to human health."

The United States move came on the eve of Soviet Foreign Minister V. M. Molotov's scheduled address to the U. N. commemorative meeting here Wednesday morning. Diplomats have reported that Molotov, in private discussions here, has been talking about a ban on nuclear tests.

The American proposal had been approved in advance by Britain and several other nations, including Sweden, it was learned here. The proposal will be offered formally when the U. N. General Assembly meets next in September.

The United States has resisted both domestic and foreign pressures to call off further nuclear tests. Lodge's statement tonight made no mention of further American tests, but the idea of them was implicit.

Geneticists have been warning of the danger to human life, especially of the effect on future generations, if the world's atmosphere is further loaded with radioactive fallout from thermonuclear explosions.

The Atomic Energy Commission, however, regards these fears as exaggerated and Lodge reaffirmed this attitude. The U. N. conference on peaceful uses of atomic energy, to be held in August in Geneva, will also consider the effects of radiation on humanity.

Lodge said that while much scientific data on the question exists and the United States is "making intensive studies" of the problem, such material from all nations has "not been collated."

Therefore, he said, the United States proposed "that these data from all countries should be assembled so that all nations can be satisfied that humanity is not endangered by these tests.

"We believe that the United Nations can perform an important service in undertaking to bring this about. The best place to assemble all available information is the United Nations. We think that the next General Assembly should establish a procedure to receive and assemble radiological information collected by the various states as well as the results of national studies of radiation effects on human health and safety."

Some American and foreign scientists have suggested that the U. N. should set up a test monitoring unit so the world would know who was setting off explosions. Since it is scientifically possible to detect by a reading of the air the vital facts concerning all but the smallest of nuclear tests, it is argued that such a monitoring system would keep the world alerted.

Both the United States and Britain have given advance notices of their tests. But much of the world's knowledge of Soviet tests have come from scientists who have monitored Russian explosions.

FREE DISTRIBUTION OF THE SALK POLIO VACCINE

Mr. GOLDWATER. Mr. President, I wish to refer to an editorial which, at the request of the distinguished junior Senator from New York [Mr. LEHMAN], was printed in the CONGRESSIONAL RECORD of June 17, on page 8577. The editorial is entitled "Socialized Nonsense,"

and was published in the Washington Post and Times Herald of June 16.

Mr. President, in direct contradiction of that editorial is an editorial entitled "Party Differences," which was published in the Arizona Republic, of Phoenix, Ariz., on June 18. I ask unanimous consent to have the latter editorial printed at this point in the RECORD, as a part of my remarks.

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

PARTY DIFFERENCES

The basic difference between Republican and Democratic economic philosophy was well illustrated, we believe, in this week's congressional debate over distribution of Salk vaccine. The Republicans, led by President Eisenhower, supported a bill that would appropriate $35 million to give free polio vaccine to every child who couldn't afford to pay for it. Many Democrats, led by Senator LISTER HILL, of Alabama, supported a bill that would appropriate $135 million to give free polio vaccine to every child, regardless of whether the child's family could pay for it or not.

We think President Eisenhower's plan is the one that will be adopted. For compelling as the "gimmie" philosophy may be, we don't believe the average Congressman wants to use public funds to give vaccine to those who can well afford to pay their own physicians for the shots. Such a step would obviously be in the direction of socialized medicine. It could lead to the Federal Government's assumption of all medical costs, not only those of Salk vaccine shots.

While the privately run National Foundation for Infantile Paralysis was administering the vaccine on a test basis, it was only natural that the inoculations be administered free. Now that the aim is to immunize everyone under 19 years of age, the job should be done by the Nation's doctors on a regular, professional basis, with the exception, of course, of those who cannot afford to pay for the shots. They should—and will—be taken care of.

There is another aspect of the Salk vaccine program that requires consideration. The United States Health Bureau has discussed the possibility of greatly enlarging its inspection facilities in order to be able to guarantee that all vaccine comes up to a prescribed level. This is not a proper function of government. The Bureau of Health should draw up the specifications, and should take proper action against manufacturers who ignore them. But it should not take on the job of inspecting every batch of vaccine made, any more than the Government should assume the task of inspecting every pound of meat sold in the Nation to be sure there is no violation of the pure-food laws. Government regulation is one thing. Direct control is another.

Government has its legitimate tasks to perform, and they don't include giving everyone in the country Salk inoculations, or inspecting every vial of vaccine that is manufactured. The Republicans understand this. The Democrats probably understand it also, but the urge to build ever larger bureaucracies is one the Democrats seem to have great difficulty in controlling.

Mr. GOLDWATER. Mr. President, there is a difference. I think the editorial in the Arizona Republic shows very clearly the difference in thinking which exists throughout the Nation, particularly between the West and the East.

I should like to read a portion of the editorial which appeared in the Washington Post and Times Herald, as follows:

But there is hardly anything subversive in a proposal for free vaccine under which the Government would pay private laboratories for the material and private doctors would continue to be paid for their services. To call this socialized medicine is to render that much abused term even more ridiculous than it has already become.

I should like to comment that there is nothing subversive about socialism. Many groups in this country are advocating it in one form or another. I do not recognize it as being subversive. I think we can recognize it on all hands for what it is.

On the other hand, commenting on the same subject, the Arizona Republic said:

Such a step would obviously be in the direction of socialized medicine.

Because there is that difference, I took the trouble to look up the definition of socialized medicine in the dictionary. In Webster's New Collegiate Dictionary the following definition is given for "socialized medicine":

Administration by an organized group, a state or a nation of medical and hospital services to suit the needs of all members of a class or classes or all members of the population, deriving funds from assessments, philanthropy, or other sources. Often identified with one particular form, state medicine (which see).

When we look up "state medicine" in the same dictionary, we find the following definition:

Administration and control by the National Government of medical and hospital services for the whole population, medical and hospital personnel being employed by the government and funds raised by taxation.

The purpose of the bill which caused these comments, Senate bill 2147, is stated as follows:

To provide all children an equal opportunity for vaccination against poliomyelitis.

The bill does not say who is to pay the cost, but it is to be inferred that the United States Government would have to do so, in order to stay within the meaning of the bill.

I make these remarks at this time because it is clearly evident that there is a misconception as to what the term "socialized medicine" or "socialism" means, as defined in the city of Washington by the Washington Post and Times Herald, and in the State of Arizona by the Arizona Republic.

Mr. LEHMAN subsequently said: Mr. President, millions of people in this country are deeply concerned over the confusion, the doubts, and the fears which have been aroused because of the unhappy situation which unfortunately has developed during the past 2 months in connection with the production, distribution, and use of the Salk vaccine. We still do not know where the responsibility for the disappointments and the failures with which we have been confronted lies. We still have not enacted legislation which would make this vaccine available to every child in the country between the ages of 1 and 19, free of charge, without invoking a means test, which would be both unworkable and socially evil.

We have failed to do many other things which we should have done weeks, and perhaps months, ago. On the other hand, Canada has proceeded in this field in a thoroughly orderly manner. It has made safe vaccine available free of charge. It has made it perfectly clear that the distribution and the use of vaccine does not in any way involve socialized medicine, as charged only 2 weeks ago by the Secretary of Health, Education, and Welfare Mrs. Hobby—a charge which called forth an editorial in the Washington Post and Times Herald accurately characterizing Mrs. Hobby's testimony as "socialized nonsense."

The Washington Post and Times Herald of June 19 carried another very illuminating and interesting article entitled "How Canadians Solved the Polio Vaccine Problem." I believe this statement should be carefully studied, not only by Members of Congress, but by the people of the United States generally. They will find it most informative. I therefore ask unanimous consent that this article be printed in the RECORD at this point as a part of my remarks.

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

HOW CANADIANS SOLVED POLIO VACCINE PROBLEM

(By Earl Ubell)

OTTAWA, June 18.—Canada has met the problem of the Salk polio vaccine with foresight, readiness, and action.

But government officials who ran the program disclaimed any special aptitudes as they talked with this correspondent this week.

"Touch wood," said Paul Martin, Minister of Health and Welfare. "Nothing happened to our 800,000 vaccinations. It might have if we weren't careful. I've pounded our scientists with safety, safety, safety."

"We were lucky," said Dr. G. D. W. Cameron, Deputy Minister for Health. "We double-tested all our vaccine. We accepted some American-made stuff which, to our surprise, was not. We might have taken more."

"Please, I don't want any comparisons made between Americans and Canadians," said Dr. R. D. Defries, head of the University of Toronto's Connaught Laboratories that made all Canadian vaccine. "We did everything the Americans did, nothing more."

It developed, however, that the Canadians did do some things that the United States did not do in its vaccine program. Perhaps it is because they dealt with a total population of 15 million instead of the 165 million in the United States.

FREE TO ALL

They distributed the vaccine free to all children. They had 1 manufacturer instead of 6. They made the vaccine in small, easy to control batches. They were ready to move in with polio medical teams in case of a vaccine accident. They double safety-tested every batch. They made only 26 batches.

Probably the most important factor was the government's insistence on safety testing by its new $1 million virus laboratory here headed by Dr. Fred Nagler. It caught four batches with live virus that had slipped by Connaught Laboratories' safety tests.

"We figured it out," said Dr. Nagler, "our double check increased our safety factor 24 fold over what had been suggested by American regulations." In the United States the Government accepted manufacturers

safety tests and spot-checked samples submitted.

The Canadian virus laboratory has a staff of 30 working full or part time on the polio testing program. The United States Laboratory of Biologics Control had 45 persons on its staff as of April 30, 1955, when the Cutter incident broke and when most of the 6 million shots had moved out of the commercial factories.

FEWER BATCHES

The Canadian service could do the laborious and expensive double-testing because the number of batches was small and it was dealing with a single manufacturer whom it knew intimately. The Canadians also improved the test-tube tissue tests by a variation known as additional sub-culturing.

Furthermore, Connaught made its vaccine in small batches of about 120 quarts each, compared to the 1,500-quart batches of American commercial manufacturers. The mathematical probability of finding live virus in a small batch is greater than in a large one with a single test.

It is something like trying to fish 1 of 30 guppies out of a bathtub with a small net, or trying to get 1 of 5 out of a pail with the same net.

At present, the Canadians are undecided whether to adopt the new safety standards established by the United States Public Health Service. Mr. Martin said they are under consideration; Dr. Nagler said the present Canadian methods may be modified.

PLANS LAID EARLY

But aside from the extra scientific precautions the Canadians took, they laid their plans for manufacture and distribution 6 months before April 12, when Dr. Thomas Francis, Jr., brought in his report that the vaccine was safe and up to 90 percent effective.

In October Mr. Martin and Dr. Cameron met with the 10 provincial health ministers. They knew Connaught had been making live virus to be killed in the States by commercial manufacturers for the vaccine field trial.

Rather than let the Connaught operation lie fallow, the Governments decided to give the university laboratory $500,000 for enough vaccine for 750,000 children to be distributed free. Half the cost would be borne by the Provinces, the rest by the central ministry.

So Connaught (pronounced with the accent on the first syllable) tooled up and made the vaccine according to the formula set down by Dr. Jonas Salk, the developer, and followed the provisional requirements established by the United States Health Service.

With the care characteristic of a university laboratory, Connaught adhered strictly to Dr. Salk's formula. It "cooked" the live virus in formaldehyde an average of 9 days, although in the States commercial manufacturers have been known to "cook" for 15 days.

The United States Health Service contended recently that in the hands of the manufacturers, the vaccine does not follow the Salk mathematical equations. A Connaught scientist told me that generally the process, if carried out with precise measurement and control, did go by the formula. Dr. Nagler, however, showed me graphs in which there were slight departures.

COST IS LOW

Connaught made enough vaccine for 800,000 children at $1.25 for a series of three shots. The cost is expected to drop soon to 75 cents, and another laboratory at the University of Montreal will be in business by autumn.

Mr. Martin said that by the end of March 1956, 3 million Canadian children will have received either their full or primary vaccination. This is 60 percent of children under 16. All 800,000 children in Canada's first and second grades have aready received two shots.

At present the central government and the Provinces are considering whether to continue inoculations during the summer when polio is at its peak. In Canada, where there are between 2,500 and 8,500 cases a year, the disease characteristically concentrates in specific Provinces.

"I don't think we'll give the first shots during the summer," Dr. Cameron said. "We'll start up again in the fall with boosters and primary vaccination."

NOT STATE MEDICINE

Plans for the vaccination program were made both at the October meeting and again in January. The local and Federal ministers decided to go ahead with the vaccination even if Dr. Francis reported the vaccine as having a low effectiveness but high safety. They wanted to continue the scientific work.

The ministers also decided to set up flying teams of polio specialists to follow up any accidents from vaccination. This proved to be a good move. One case that followed vaccination was shown not to be polio; another postvaccination case was demonstrated to have begun before injection. "Public hysteria was averted," Mr. Martin said.

Mr. Martin vigorously defends his free-vaccine program.

"That is not State medicine," Mr. Martin, himself a recovered polio victim, said. "Polio is a communicable disease, and control of such diseases is a Government responsibility. Besides, we have in this country a long tradition of supplying certain drugs and vaccines free. We give streptomycin to TB victims."

So far, no public or medical opposition has developed in Canada against the vaccine program, probably because the Health and Welfare Ministry plays such a big part in Canadian life.

This Ministry spends $1,200,000,000 a year, including family allowances, and it is the biggest item next to defense in the Canadian budget. The United States spents $2,500,000,000 a year, the sixth highest agency budget.

Mr. MORSE subsequently said: Mr. President, I should like to make a brief comment, supplementing what the Senator from New York [Mr. LEHMAN] said earlier today, regarding an editorial on Secretary Hobby, which appeared in this morning's Washington Post and Times Herald.

As I announced the other day, before the week is over, I shall make a major speech on the polio vaccine question. However, I thought the observations made this morning by the Washington Post and Times Herald were particularly penetrating and that the editorial should be published in the body of the RECORD.

I do not believe this administration should be allowed to cover up what I think is the sad record it has made on the polio situation. I would suggest to Secretary Hobby and to the Surgeon General that if they do not know the facts which developed from an experience with a polio vaccine in 1931, they should acquaint themselves with them. In 1931 Dr. John Kolmer, of Temple University, produced a polio vaccine which did not have very desirable results. It was vaccine, I was informed by a prominent medical authority this morning, which made use of live virus, with some results which certainly were unfortunate.

In view of that experience, it seems to me that the American public had the right to expect Mrs. Hobby and the Surgeon General to use exceptional caution in making certain that not one batch of polio vaccine containing live virus would get into the channels of commerce.

As I was advised this morning, Dr. Kolmer's experiment with live virus produced exactly the disastrous results which followed the use of the Salk vaccine when it was not adequately tested so as to prevent any live virus vaccine from getting out of the laboratories.

I shall discuss the Kolmer experiment later in the week, and I shall also discuss other information which has been given to me by medical authorities and which leaves no room for doubt in my mind that Mrs. Hobby and the Surgeon General have much to answer for in connection with inexcusable mistakes which have been made in the antipolio program.

TRANSPORTATION IN THE MAILS OF LIVE SCORPIONS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 35) to permit the transportation in the mails of live scorpions, which were, to strike out all after the enacting clause and insert:

That section 1716 of title 18 of the United States Code is amended by inserting immediately after the second paragraph thereof the following new paragraph:

"The Postmaster General is authorized and directed to permit the transmission in the mails, under regulations to be prescribed by him, of live scorpions which are to be used for purposes of medical research or for the manufacture of antivenin. Such regulations shall include such provisions with respect to the packaging of such live scorpions for transmission in the mails as the Postmaster General deems necessary or advisable for the protection of Post Office Department personnel and of the public generally and for ease of handling by such personnel and by any individual connected with such research or manufacture. Nothing contained in this paragraph shall be construed to authorize the transmission in the mails of live scorpions by means of aircraft engaged in the carriage of passengers for compensation or hire."

And to amend the title so as to read: "An act to provide for the transmission in the mails of live scorpions."

Mr. JOHNSON of Texas. Mr. President, I move that the Senate concur in the House amendments.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Texas.

Mr. KNOWLAND. May I inquire of the Senator from Arizona whether or not the amendment of the House is purely a technical amendment?

Mr. GOLDWATER. Let me say to the distinguished minority leader that the House amendment prohibits the shipment of live scorpions by airline. The amendment is perfectly agreeable to me.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to concur in the House amendments.

The motion was agreed to.

AMENDMENT OF TRAVEL EXPENSE ACT OF 1949

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent

for the present consideration of House bill 6295, which has just come over from the House of Representatives, in order that it may be amended in certain particulars to correspond with a bill already passed by the Senate.

The VICE PRESIDENT. The Chair lays before the Senate a bill coming over from the House of Representatives, which will be read.

The bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes was read twice by its title.

The VICE PRESIDENT. Is there objection to the present consideration of the House bill?

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

Mr. JOHNSTON of South Carolina. Mr. President, I offer the amendments which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendments offered by the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, after the word "thereof", it is proposed to strike out "$13" and insert "$12", and on page 3, after line 18, to add the following new section:

SEC. 4. Section 4 of said act is amended by striking the figures "4 cents" and "7 cents" and inserting "6 cents" and "10 cents", respectively, in lieu thereof.

The VICE PRESIDENT. The question is on agreeing to the amendments offered by the Senator from South Carolina.

The amendments were agreed to.

Mr. KNOWLAND. Mr. President, I understand that these amendments merely restore the language contained in a similar bill already passed by the Senate, and are for the purpose of getting the bill into conference.

Mr. JOHNSTON of South Carolina. That is true. The House bill, as amended, is the same as the bill already passed by the Senate.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6295) was read the third time and passed.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate insist on its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JOHNSTON of South Carolina, Mr. NEELY, and Mr. CARLSON conferees on the part of the Senate.

ADDRESS BY MAURINE NEUBERGER AT ANNUAL MEETING OF THE LIBERAL PARTY IN NEW YORK CITY

Mr. MORSE. Mr. President, on May 25, 1955, Oregon State Representative Maurine Neuberger made a speech at the annual dinner of the Liberal Party in New York City. I am particularly pleased that Mrs. Neuberger, who is the wife of the junior Senator from Oregon, on that occasion paid tribute to the illustrious junior Senator from New York [Mr. LEHMAN] and to his qualities of democracy, friendliness, and courage.

Mrs. Neuberger has made an exceptionally brilliant record in the Oregon State Legislature. As one reads her speech, one can well understand why she enjoys such a very fine reputation as a wonderful legislative leader in the State of Oregon.

Because I would like to associate myself with the remarks she made, not only with regard to the junior Senator from New York, but also in regard to the issues which she dealt with in her speech, I ask unanimous consent to have the speech printed in the body of the RECORD as a part of my remarks.

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

Mayor Wagner, Governor Harriman, Lieutenant Governor de Luca, and friends, it is bound to be a disappointment to you to come to this fine occasion expecting to hear a United States Senator and get in his place a lowly member of the lower house of the Oregon Legislature. It is sort of like ordering rare roast beef and getting plebeian hamburger—too well done.

I don't want you to consider me a substitute for my husband, and I don't speak for him. He is the member of the family who has the ideas, the know-how, and is the real politician.

However, many of the issues and problems which are of paramount interest to you are of equal importance to us in Oregon and to people everywhere. In fact, I had lunch with your own Senator LEHMAN from this State a few days ago and I was flattered when he asked me questions about my own work in the Oregon Legislature. I thought to myself, "This is the mark of a fine man, that he is trying to show some interest in my humble position." But, as we talked, we found that our experiences in working at the State level often dovetailed. He showed me a yearbook of some of his veto messages and I had to laugh when I saw that the New York Legislature had had a bill dealing with muskrats. We had one very similar just a few weeks ago.

I am especially pleased to be on the same program with Governor Harriman, because I have followed the Governor's defense of Niagara Falls for all the people of New York State rather than for private monopolies. That is our fight at Hells Canyon. Cheap electricity, as a result of the great Federal power development in our area, has contributed to our national defense, and to increased industry—that means our people are earning more and paying more into the Federal Treasury through income tax—and to our own material comforts. I have lived on a farm—all my girlhood. I know what it means not to have electricity. Not until F. D. R. and Senator Norris put through Bonneville Dam and the Rural Electrification Administration did we have electric lights. Can you recall what it is like to have no electric refrigerator, to cook over a wood stove, no hot water by merely turning a tap? Now we have all those things, all the usual electric appliances, and electric milking machines. Our farm electric bill runs between $6 and $8 a month.

One of my particular fields in the legislature is education. I was a teacher for many years before I was married. During this session we watched the National Congress with particular interest to see what aid they could give to our many distressed school districts. By distressed, I don't mean that they are poor. They are merely suffering—or profiting—from a 49-percent increase in population in the last 10 years and can't keep up with the need for school buildings. The President's program fails utterly to meet our needs. Great fanfare heralded the proposal, yet it added up to virtually nothing. Even our Republican-dominated legislature saw that the so-called Federal aid would be of no help to us. It seemed to propose aid to banks, rather than to schools, by making it easier to borrow money at banker's rates, which are higher than those we are already using.

Dick's criticism of the handling of the Salk vaccine program has been widely reported in your own papers. I join him in criticism and in calling attention to the contrast exemplified in the Canadian program. We have spent a great deal of time in Canada, gathering story material and have observed their political system with interest. We have no desire to leave the land of our birth and allegiance and go to Canada, but when a neighbor has "built a better mousetrap," so to speak, it doesn't hurt to take a look and see how it works. On April 12, 1955, the Minister of National Health and Welfare in Ottawa was able to announce a comprehensive national program which had been developed in advance, in contrast to our hit-and-miss approach.

RESOURCES OF THE WEST ARE A NATIONAL HERITAGE

There are many wonderful things to do and see in New York, but one of the advantages of living in the West is our accessibility to rugged mountain vistas and outdoor living. Such a memorable trip was one that Dick and I made a couple of years ago over the Lewis and Clark Trail in the rugged wilderness area of central Idaho. It was a thrilling experience to know that we were actually walking over the same trail that those intrepid explorers trudged 150 years ago. We knew where we were going, but they didn't. Many times on that trip I said to myself, "It's a wonder to me that the Oregon Country ever got discovered." But, as Dick has written in a story about that trip, a lesson could be learned. Did Lewis and Clark claim the resources of the West for all Americans, through the endless years to come, or for a handful of men to profit from as their own property? On the timbered summit of Lolo Pass, we were looking at some of the same resources seen by Lewis and Clark—although those men knew nothing of the mystery of hydroelectric power lurking in those swift moving waters that led to the Columbia River. They couldn't possibly have envisioned the importance of those vast stands of pine and fir and spruce to our national economy of this year of 1955, 150 years later, but it is for those very issues, among others, that my husband made his decision to run for the United States Senate, and I in my small way to run for the Oregon Legislature.

I am called upon a great deal to speak before women's groups. When I do, I make it a point to say "I'm a politician." They know me as a teacher, a housewife, a writer, and photographer. But I want them to think of me as a politician. Many of them have never seen one in the flesh before and they have the picture drawn by the cartoonist of a man with a large stomach, covered by a plaid vest, and smoking a fat cigar. They think of him as an ominous character. I hope that when they see me, an average person, they will understand that politics is the art of government. That our deliberations, either on the State or national level, affect their daily lives. Whether they will be able to buy colored margarine, have adequate schools for their children, have abundant cheap electricity, be sure of a supervised plan for polio control, or even musk-

rat control. This is the business of the politician and of the people. I am sorry that new duties in Washington force me to leave the active field because politics is important and politics is fun.

FACING NEW PROBLEMS ON FOREIGN POLICY—THE ROLE OF THE UNITED NATIONS

Mr. MORSE. Mr. President, I prepared for delivery in the Senate a speech on facing new problems on foreign policy and the role of the United Nations. However, I delivered the speech on Monday, June 13, at the Northwest Institute of National Relations in Portland, Oreg. I ask unanimous consent that the speech be printed in the body of the RECORD.

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

FACING NEW PROBLEMS ON FOREIGN POLICY—THE ROLE OF THE UNITED NATIONS

(Speech by Senator WAYNE MORSE before Northwest Institute of International Relations, Monday, June 13, New Lincoln High School Auditorium, Portland, Oreg.)

It was 10 years ago on June 26, 1945, that the United Nations Charter was signed in San Francisco. Ten years is not a long span of time in history. But it is long enough to make the United Nations one-half as old as was the League of Nations at the outbreak of World War II. The time has come when we might appropriately consider whether the United Nations serves our national interest and promotes world peace.

When the General Assembly convenes this fall in New York, it must decide whether to call a conference to review the United Nations Charter. That will afford an opportunity to take a look backward to see where we have been and to look ahead to see where we are going. It is well for us to consider at this time what has happened to the United Nations in its first 10 years of life, especially with reference to the attitudes of the American public toward it.

American attitudes toward the United Nations have gone through three distinct phases.

First, immediately after the war, there was great hope for the future of the organization and tremendous emphasis on its potentialities as a device to preserve peace. This might be described as the period of the great illusion—the illusion that the United Nations was more than the sum of its parts—that is, as an institution, was capable of vastly greater achievement than the member states themselves.

The second phase was the period of great disillusionment. It was the period when Americans realized with a shock that the United Nations could not control the cold war, that atomic weapons could not be brought under international control, that international police forces were not to be established. It was during this period that the World Federalists were most vigorous in pressing their case. Some 20 State legislatures adopted resolutions calling for a strengthened United Nations, and the United States Senate by a 64-to-4 vote adopted the Vandenberg resolution which proposed strengthening the United Nations in several respects.

The third phase is the status into which we have moved in the last few years. This phase is characterized by generally rational attitudes toward the United Nations. Most Americans realize the capacities of the U. N. as well as its limitations. They realize that it bridges the cold war in some ways and may serve to lessen tensions in the world. Yet they realize that it cannot bring a definitive peace in a world split by the fundamental ideological conflict between democracy and communism.

The period is also characterized by the existence of fringe groups whose attitude toward the U. N. is characterized by irrationality. Strident voices of isolationism attack the United Nations. I propose to direct my remarks at the attacks these groups direct at the U. N.

One reason for recent attacks on the United Nations is that there has been too much emphasis on what the United Nations has not done and not enough emphasis on what it has done. Critics have resorted to the familiar technique of the wild charge, the unsupported allegation, the deliberate lie. Organized groups which attack the United Nations have created the impression that they are far more numerous than they are. They try to silence the rational people in a community by the techniques of slander and by declaring themselves the only true patriots.

It is time for the rational people of the community to meet these attacks head on. Before the attacks of these groups can be answered, however, we must understand them. Those who attack the U. N. cannot, of course, be put into one category. Some of them are unreconstructed isolationists. They still believe that all foreigners are bad and that internationalism is something dangerous. But some attack the United Nations today because they do not like to live in a troubled world and they are searching for a scapegoat, someone to blame for an uneasy peace. Strangely enough many of these people find two scapegoats. The first is communism, and the second is the United Nations. Some of those opposed to continued American participation in the United Nations as presently organized blindly lump the United Nations and communism together. They seem to believe that the United Nations is dominated by its Communist membership. Either the Communists must be kicked out of the United Nations or the United States should withdraw, they cry.

I do not believe that either of these approaches to the United Nations and to American participation in it are in our national interest. Those who back these positions promote misconceptions of all kinds. I propose to explore some of these misconceptions. I hope that one effect of my remarks to this group will be to encourage you to give battle to the half-truths and distortions which are the stock in trade of those who blindly attack the United Nations.

KOREA AND THE U. N.

First, there is the misconception about Korea. The charge is made that the war in Korea was a United Nations war and that the U. N. dragged the United States into that war.

The facts are just the opposite. If the war in Korea had not been fought under United Nations auspices, I have no doubt but what the United States would have been required to fight alone. Secretary of State Dulles is on record on this point. He recently told the Foreign Relations Committee, and I quote him, "I believe that the vital interests of the United States would have justified our taking this action alone, if we had had to."

It was United States forces in Japan that would have been outflanked by Communist control of South Korea. It was the United States defense line in the Far East that would have been breached if the war in Korea had moved southward. As a matter of fact, the President of the United States, with the tacit approvel of Congress ordered American troops into action in Korea prior to any decision by the U. N. to intervene. The fact is not that the United Nations dragged the United States into Korea, but that we brought the United Nations into the action in Korea.

The second misconception about the Korean action is that the United States was operating under the guidance and direction of Soviet officials in the United Nations. The charge is sometimes made that an assistant secretary general of the United Nations was a Russian and in that position it is claimed that he knew of every troop movement in Korea.

The fact is, of course, that the commanding general of United Nations forces in Korea was Gen. Douglas MacArthur. He reported to the United Nations but did not take orders on such matters as the movement of troops or their placement. The United Nations learned about MacArthur's military actions after the fact, not before. It is true, of course, that the U. N. advised against an attack across the Yalu River on the grounds that it would bring Communist China into the conflict. And interestingly enough it was only when MacArthur ignored this advice and his forces approached the Yalu River, that the Chinese Communists did enter the war. But let me answer here and now to any implication that the Russian Assistant Secretary General of the United Nations was privy to military secrets of the MacArthur command. He was not.

One final comment about Korea. It has been repeated over and over again that the United States provided more than 90 percent of the casualties. That is true. But let me remind you that this 90 percent figure does not take into account the casualties of the South Koreans which more than equalled the casualties of American soldiers. Furthermore, it ignores the fact that the United States would surely have fought alone in Korea had it not been for the U. N. Ambassador Lodge, chief of the United States Mission to the United Nations, has remarked that if it had not been for the help we received in Korea, the United States would have found it necessary to put two more divisions of its own in the field. While American casualties were high, they would have been much higher without U. N. help. Let's never forget that fact.

IS THE U. N. DOMINATED BY THE SOVIET?

A second misconception about the United Nations, which is promoted by those who attack it, is that the organization is dominated by the Soviet Union. The fact is, however, that the United States has never lost an important vote in the General Assembly, and the Soviet Union has never won an important vote. Time after time after time when the votes have been tallied, it is the Soviet Union that is on the short end of the vote. If anyone should be discouraged about participation in the United Nations, it should be the Soviet Union. It is the Communists who have been overwhelmed by votes in the General Assembly and who have had their motives exposed in debate.

COMMUNIST EMPLOYEES

A third fallacy promoted by U. N. opponents is that the Secretariat is riddled with Communist employees, many of whom are disloyal Americans. The fact is that more than one-half of the employees in the International Secretariat are Americans, and I for one do not operate on the theory that most Americans are disloyal.

The facts are that several years ago 17 Americans employed by the United Nations refused to answer McCarthy-type questions put to them by the Senate Internal Security Subcommittee. In line with the thinking of those days, the American public was led to believe that each and every one of those Americans was a Communist. The Secretary General of the United Nations forthwith fired these American employees despite the fact that their only alleged wrong-doing consisted of invoking the guaranty of the United States Constitution against self-incrimination.

At the present time all Americans employed by the United Nations are subject to a security check devised by the Department of Justice and if any of the American employees

of the United Nations are Communists it is unknown to the FBI. Nevertheless, those who seek to destroy public confidence in the United Nations convey the impression that the U. N. continues today to employ Communists of American nationality.

U. N. A WORLD GOVERNMENT

A further misconception promoted by enemies of the United Nations is that it is a world government. They allege that since the charter is a treaty and hence the supreme law of the land it operates in derogation of the United States Constitution. They conveniently overlook the decision of the supreme court of California in the Sei-Fuji case which expressly denied that certain provisions of the charter are self-executing in character. They seek to create the impression that such conventions as the Genocide Convention (which has been pigeonholed by the Senate Foreign Relations Committee) and the Human Rights Convention (which has not even been signed) have somehow become the law of the land. They conveniently ignore the fact that the General Assembly can only pass recommendatory resolutions, that the United States can veto any substantive proposal in the Security Council and that no treaty can bind the United States unless approved by a two-thirds vote of the Senate.

THE COST OF THE U. N. AND ITS PUBLIC ACCEPTANCE

Another misconception encouraged by anti-U. N. forces is that it is an expensive venture for the United States. The fact is that the United Nations costs the United States $13 million a year. In addition we contribute about $12 million a year to specialized agencies of the United Nations. This means that the organization costs American citizens 16 cents each per year. The price of two quarts of gasoline.

Another impression promoted by those who seek to destroy the U. N. is that the vast majority of the American people are opposed to it. But again, what are the facts? A recent study of the University of Michigan indicates that only 5 percent of American adults want the United States to pull out of the United Nations, whereas some 80 percent believe that the U. N. and our participation in it is good for America.

I have also detected on the part of some critics of the United Nations the promotion of the idea that the United Nations is an institution conceived and promoted primarily by the Democrats. I do not want to inject any political overtones into these remarks, but I desire to call your attention to the fact that no Democrat has ever served as chief of the United States Mission to the United Nations. When President Truman appointed a representative to the United Nations, he selected Senator Warren Austin, a stanch Republican from Vermont. When Senator Austin resigned, his place was taken by former Senator Henry Cabot Lodge, Jr., a Republican from Massachusetts. Moreover, I hardly need remind this audience that probably the three most influential members of the United States delegation to the San Francisco Conference were members of the Republican Party—Senator Vandenberg, Mr. Dulles and Mr. Stassen.

The fact is that the cause of the United Nations has always had wide support from Republicans and Democrats alike and that support is likely to continue. The reason the United Nations has had wide support in both of our political parties is that most Americans are rational and objective in their analysis of what the U. N. is and what it may become. They are realistic in accepting the problems and responsibilities of the United States in the world today. They are not frustrated at the state of the world in which we live.

If we are to be rational in determining whether American participation in the United Nations is good for us or bad for us we must not base our analysis upon emotion and frustration. Instead, we must look at the U. N. to see what it has done and what it can do.

THE U. N. AND COLONIALISM

One of the great accomplishments of the United Nations in the past decade which is often overlooked is the tremendous impetus which it has given to the creation of new free states. Indonesia and Israel are two good examples. Neither of these states would be independent today were it not for the United Nations. Libya also owes its independence to the United Nations. Many other states such as India, Pakistan, Ceylon, Cambodia and others probably would not be free today had it not been for the impetus given self-government by the very existence of the United Nations.

SETTLING DISPUTES

It is hard to be objective in listing the disputes which the United Nations has settled because of the difficulty of analyzing the specific reasons why disputes are settled. We do know, however, that the United Nations was instrumental in getting Russian troops out of Iran, in keeping the Kashmir dispute from being settled by force, in bringing about an armistice between Israel and the Arab states, and in the support of Greece against Communist attack.

One trouble in getting popular understanding of U. N. successes in settling disputes is that peaceful settlements don't make headlines. It is the wars and crises that capture the news.

THE U. N. AND ECONOMICS

But aside from the political operations of the United Nations, it has also been instrumental in relieving starvation among the children of the world through the Children's Fund and in improving the health of millions of people through the operations of the World Health Organization.

One of the strongest anti-Communist instruments in the world today is the technical assistance program carried on under United Nations auspices. This program gives assistance to underdeveloped countries to enable them to improve living conditions. Experience has shown us that communism gets its best foothold in countries where living conditions can be exploited for political purposes. Thus, every contribution the United Nations makes to the improvement of living standards serves to create conditions which are the antithesis of those which nourish communism.

I could continue in this vein to describe some of the accomplishments of the United Nations. But I think I have said enough to make the point that if we are to assess the organization in terms of whether our participation promotes the national interest we must look to its positive aspects as well as to its negative aspects.

When one considers the fact that for 10 years the world has suffered from a bitter cold war, it is surprising to me—indeed it is remarkable—that the United Nations has worked as well as it has. The Charter has been an adaptable instrument to serve so well in the changing world situation.

When the Soviet veto stymied the development of the Security Council as an effective deterrent to aggression, the General Assembly was able to function in helping organize international force for use in Korea. The Assembly has now in being a Collective Measures Committee that has worked out an elaborate set of proposals that could be put into effect should there be another Korean-type attack on a free nation.

Furthermore, the Charter by authorizing the creation of regional defense arrangements inside the charter but outside the veto, has made it possible to set up a series of regional defense arrangements such as the North Atlantic Treaty Organization. These organizations have in a sense filled the vacuum resulting from the ineffectiveness of the Security Council in organizing international defense forces.

In addition to being an organization adaptable to changing world conditions the United Nations has provided a forum for almost daily contact between high-ranking officials from all over the world. When one considers that no President of the United States has talked with the head of the Soviet state since 1945, it is easy to see how important it is to maintain the contacts we have at the United Nations. It is certain that if the world is ever to live at peace that peace must rest either on a mutuality of tolerance or upon force. The United Nations gives us an opportunity to try settling by peaceful means the fundamental ideological conflict that splits the world.

In concluding my remarks, I suggest to those gathered here that you do your utmost to inject an element of realism in our attitudes toward foreign policy in general and the United Nations in particular.

There are only three possible courses of action open to us in this world. We could proceed on the theory that the only way of assuring peace and freedom would be for this Nation to dominate the world. That course is unthinkable. It embraces the doctrine of preventive war and would destroy the very peace and freedom essential to the continued development of this Nation.

A second course would be for us systematically to try to isolate ourselves from the rest of the world on the theory that we could build America into an impenetrable fortress. I know of no reputable military authority, scientist, economist, or responsible Government official who thinks this course is possible.

Finally, we can by persuasion, example, and the logic and strength of our democratic Government, encourage the development by peaceful means of the kind of world in which man's freedom can grow. This course of action involves our full-hearted participation in the United Nations. It means that we must work with as many nations as possible, and not against them.

I am opposed to any breaking off contact with the Communist or neutralist nations of this world. I am convinced that our form of government, our form of society, is in a sense the wave of the future. The more we have to do with other peoples, the more we have to do with other nations, the greater the likelihood that the march of man toward individual freedom will become worldwide. The superiority of economic and political freedom of choice for the individual constitute our greatest defense weapon against communism at home and abroad. No ideology of totalitarianism can win the minds of men and women abroad where the fight for freedom must be won in the century ahead if we in the United States through the United Nations give support to the ideal of a system of international justice through law. Disappointments will be many, and progress may be slow but the hope for peace offers no other alternative. Let us hope that the American people will close ranks and face these new problems of foreign policy with a united front.

HELLS CANYON DAM VERSUS IDAHO POWER CO. DAM

Mr. MORSE. Mr. President, the Idaho Farm Journal published a very interesting editorial by the editor, Ed Emerine on the subject "What's the Difference Between 6.69 and 2.8 Mills." In his comments on power costs in the Pacific Northwest, the editor points out—and I shall read only a sentence or two before

I ask unanimous consent to have the entire editorial printed in the RECORD as a part of my remarks—that:

We have yet to have any of those who advocate Idaho Power Co.'s dam, or dams, for Hells Canyon, come out in the open and discuss the costs as disclosed in Examiner Costello's recommendation to the Federal Power Commission.

The editor goes on to say:

Here is the examiner's analysis of power output and costs:

Three-dam plan: Total prime power, 505,000 kilowatts; power cost per kilowatt-hour, 6.69 mills. Total annual cost, $27,921,000.

High Hells Canyon Dam: Total prime power, 924,000 kilowatts; power cost per kilowatt-hour, 2.8 mills. Total annual cost, $28,567,000.

All of those who are seeking industry for Idaho and eastern Oregon had better take another look at the above figures. How will Idaho Power Co. attract industry from the Bonneville power area, which charges around 2 mills, when ITC would have to charge 6.69 mills. And what farmer, householder, or businessman wants to pay more than double just to have Idaho Power Co.?

That is a pertinent question, Mr. President. I ask unanimous consent to have the entire editorial inserted in the RECORD at this point as a part of my remarks bearing upon the issue of the Hells Canyon Dam.

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

COMMENTS BY THE EDITOR

(By Ed Emerine)

What's the difference between 6.69 and 2.8 mills? We have yet to have any of those who advocate Idaho Power Co.'s dam, or dams, for Hells Canyon, come out in the open and discuss the costs as disclosed in Examiner Costello's recommendations to the Federal Power Commission.

Here is the examiner's analysis of power output and costs:

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All of those who are seeking industry for Idaho and eastern Oregon had better take another look at the above figures. How will Idaho Power Co. attract industry from the Bonneville power area, which charges around 2 mills, when IPC would have to charge 6.69 mills? And what farmer, householder, or businessman wants to pay more than double just to have Idaho Power Co.?

It's something to think about. But we'll bet that if you take up these facts with the three-dam advocates, you won't get an answer. All they'll do is start charging that the Journal is socialistic and trying to federalize the Northwest. And they'll say the only way to stop this vicious trend is to get the 6.69 mills electricity instead of 2.8.

After all, when you run out of facts to support your argument, about the only thing left is to try to scare the people with wild tales of socialism and loud and vicious name-calling.

But sometimes just the whisper of truth reaches a longer way than all this three-dam bluster.

RECOMMENDATIONS OF HOOVER COMMISSION THREAT TO COLUMBIA RIVER NAVIGATION

Mr. NEUBERGER. Mr. President, the Hoover Commission is making so many assaults upon urgent and important functions of Government that it is hard to keep pace with these attacks. However, I should like to voice some brief comments on the latest Hoover Commission proposal for wrecking imperative Federal services. Many of my constituents join in these comments.

Mr. Hoover and his aides have recommended that user charges be levied on waterways improved with Government funds. This would apply to water commerce passing through locks such as those at Bonneville and McNary Dams on the Columbia River, and, I presume, to water navigation made possible by channel deepening on such river systems as the Missouri and the Willamette.

Superficially, Mr. President, I imagine that the Hoover suggestions make sense to a great many people. Why should not barges, tugs, stern-wheelers, and freighters pay to pass through Government locks on great inland water routes like the Columbia and Mississippi?

Yet, we must remember that, since the era of George Washington, the Government has dredged, deepened, and marked with buoys our interior waterways. These were the first great routes of empire. It was the Missouri and then the Columbia River system which took Lewis and Clark westbound across the continent with our flag, 150 years ago.

Free access through Government locks has provided a yardstick to help bring down freight tolls on the railroads and the big trucklines. Where there has been water competition in the Pacific Northwest, for example, the charges to our farmers for transporting wheat, orchard fruits, and general produce are far cheaper than in areas where no water navigation exists.

Think of what Government improvements have meant in my region. In 1933, before construction of Bonneville Dam by the Corps of Army Engineers, only 85,715 tons of cargo passed into the upper Columbia at Cascade Rapids. By 1953, two decades later, this had soared to 1,343,575 tons—an increase of a phenomenal 1,600 percent. What had made the difference? It was the high-lift locks installed in Bonneville Dam, where also vast quantities of low-cost hydroelectric power have been generated for the farms, homes, and factories of our region.

Now, the Hoover Commission would rule out such gains, by applying heavy water-user tolls to use of the Bonneville locks. This is done in the name of that old Hoover cliché that those who receive Government services should pay for them.

How plausible this sounds, Mr. President. How logical it seems, Mr. President.

But, Mr. President, who would dare apply this doctrine to our daily lives? Would we say that only the people with children in the school ages should pay school taxes? Would we apply the cruel and grim rule that a man with 6 children would pay 6 times as heavy a school tax as a father with 1 child? Would we exempt families with no children from all payment of school taxes?

What a mockery this would make of our educational system in America.

Suppose a man had a fire in his house. Would we bill him $250 the next afternoon for turning out the hook-and-ladder truck to quell the fire? Is that not what the Hoover theories mean? Those who receive Government services should pay for them. Why should a man whose house is not on fire pay taxes to douse the flames in the house of another man?

Move on to the realm of law enforcement. If a family requires the protection of several policemen because the family has been invaded by some lawless marauder, should we bill that family for the patrolmen's wages? What possible good could come to a civilized society from such a harsh and savage doctrine?

Yet, Mr. President, this is what might occur if we follow through on the Hoover doctrine that those who receive Government services should be the only people to pay for them.

In this connection, I ask unanimous consent to include in the body of the RECORD three informative articles on the newest recommendations of the Hoover Commission, by Alan S. Emory, who is the Washington correspondent of a fearless and enlightened daily newspaper in upstate New York, the Watertown Daily Times.

Mr. Emory's articles were published June 10, 11, and 12, 1955.

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

[From the Watertown (N. Y.) Daily Times of June 10, 1955]

USER CHARGES URGED ON UNITED STATES-AIDED WATERWAYS—HOOVER'S AND EISENHOWER'S GROUPS ALSO TO ADVOCATE SHARING OF COSTS

(By Alan S. Emory)

WASHINGTON, June 9.—Both the Hoover Commission and the President's Special Committee on Water Resources will recommend user charges on federally aided waterways, it was learned today.

WOULD SHARE COSTS

The two reports will also advocate strongly the sharing of costs on water projects, with the formula depending on the community's ability to pay, the size of the community or State and the scope of the project.

Both features are expected to provide heated debate in the Halls of Congress.

The user charge proposal is an outgrowth of a plan to charge tolls on waterways built with Federal funds. This plan, originally part of the report by the President's Committee on Transportation, was stricken after its premature release aroused substantial opposition.

The first draft, favored strongly by Secretary of Defense Charles E. Wilson, would have set the tolls sufficiently high to repay the Government for every penny it had ever invested in water projects. This was later modified.

Informed sources said the President wanted his Water Resources Committee report submitted before the Hoover Commission's so he would have a position from which to comment on proposals by the independent agency. This was the time for the transportation suggestions.

But controversy has postponed the President's committee project. At first it had been requested for use in the state of the Union address.

More recently it was presented to the President, but he reportedly rejected it as too vague in defining policy and demanded a more positive statement. Under Secretary

of the Interior Clarence A. Davis was supposed to brief the report before the National Rivers and Harbors Congress last week, but he confessed that the subject of his speech "is the occasion of some little embarrassment." The report wasn't ready, although it is due soon.

The subject matter of the Hoover Commission's task force report on water resources—although part of the power section has leaked out—is so closely guarded that members slated to address the American Society of Civil Engineers in St. Louis June 15 do not yet know what they can say.

W. W. Horner, St. Louis consulting engineer and chairman of the flood-control task subgroup, feels that as of now he cannot say anything.

The Commission has set Saturday for a meeting, at which time the St. Louis speeches may be cleared.

Because of the complex and controversial nature of the water resources report—release of which has been demanded in Congress—Chairman Herbert Hoover has not selected the three Commissioners to draw up the unit's final water resources report.

* * * * *

The President's Cabinet Committee and Adm. Ben Moreell, chairman of the water resources task force of the Hoover Commission, have been in contact several times, and there have been conferences between the two staffs.

A pattern of policy will be set by the two reports and by the water resources regulations laid down by the Bureau of the Budget.

The main theme will be to get the Federal Government out of the water business—power, navigation, flood control, and reclamation—except in rare instances.

In this respect the Army engineers have split with the top echelon in the Pentagon. The split went so far that when the President's Committee—including the Assistant Secretaries of the Army, Interior, and Agriculture, plus, on occasion, representatives from the Commerce and Health, Education, and Welfare Departments, and the Federal Power Commission—never called in the Engineers for consultation.

Beyond the waterway-user charges and cost-sharing plans, both the President's Committee and the Hoover Commission report will go into:

1. Where to draw the line on activities of the Federal Government on water projects. For example, Amarillo, Tex., wants the United States to provide it with a community water supply. The reports will call for much more State and local activity than now exists.

2. What projects are economically feasible. Staff studies claim there are now too many ratholes caused by eager grasping for big projects.

The Hoover Commission has turned up evidence of one city that demanded—and got—a waterway just to drive down rail rates, a subject that normally would be handled by the Interstate Commerce Commission. Congressional pressure is a distinct advantage in getting Federal waterways built, the Commission found, though many do not pay off in benefits to the country as a whole.

One statement that may yet prove to be the most explosive of the whole task-force project may be the one by Charles D. Curran, staff director, before the rivers and harbors congress:

"The job the task force was called upon to do," he said, "was one of finding the weaknesses and faults in the Federal water resources and power-development activities. It was not called upon to find out and report on the good features of the program."

[From the Watertown (N. Y.) Daily Times of June 11, 1955]

UNITED STATES MISUSES WATER RESOURCES, IS CLAIM—HOOVER COMMISSION DRAFTS RECOMMENDATIONS WHICH MAY NOT BE APPROVED

(By Alan S. Emory)

WASHINGTON, June 10.—The Hoover Commission water resources task force, whose report is considered the hottest on the books, sums up its philosophy this way:

"The Federal Government has used water resources and power development projects, which should be undertaken exclusively for economic purposes, to accomplish indirect social and political ends."

Its controversial recommendations, not expected to be released to the public until next month, undoubtedly will be watered down by the Commission in its report. Much of the same thinking and policy will be reflected in the report of the President's Cabinet Committee on Water Resources.

Among the task force recommendations are these:

Eventual sale or disposal of Government hydroelectric power projects to States, localities or private enterprise. This presumably would strike at the heart of the Tennessee Valley Authority operation, although former TVA Administrator David E. Lilienthal said in a recent speech that the long-run benefits of TVA might turn out to result from waterway improvements, rather than low-cost power.

Relating power rates on Federal projects to the cost of production, with rates generally not falling below those set by private industry.

Payment by recipients of irrigation and flood control benefits of 50 percent or more of the benefit value.

Benefits from one phase of a project, like power, should not be used to pay for other phases, like irrigation and flood control.

Federal responsibility should be limited to national defense, regulation of interstate commerce, and preservation of the national domain."

In exceptional cases loans should be made on projects where revenues would assure repayment in a period not to exceed 50 years.

The United States should not assume responsibility for a project that can be discharged by a State or local government or private enterprise, except where the national interest might be affected.

All flood control work now being done by the soil conservation service of the Agriculture Department should be transferred to the Army engineers.

The present Interagency Water Resources Committee and the water resources section of the Bureau of the Budget should be reconstituted a Water Resources Board and Board of Review respectively. These two agencies would have to pass on all water improvements, making recommendations to Congress only if the project met tight standards. They would make periodic reports to the President and to Congress and would undertake regular reviews of all backlogs of authorized works.

The task force, headed by Adm. Ben Moreell, chairman of the board of the Jones & Laughlin Steel Corp., said current policy "fosters compeition among its agencies, causes controversy, confusion, duplication, and waste, encourages, rather than curbs, bureaucratics ambitions."

* * * * *

One observer said that the Hoover Commission task force, while opposed to Government power projects as a matter of philosophy, was surprised to find those now in existence has proved so feasible economically.

Both the commission and the task force are headed by men who believe strongly in a minimum amound of government competition with private business. Staff members of both units say that they are run with an iron hand. In describing Admiral Moreell's operation, one worker said, "He got red and rumbled once and everybody ran for cover."

[From the Watertown (N. Y.) Daily Times of June 12, 1955]

GROUP TO BLAST POWER PROJECTS—HOOVER COMMISSION TO COME OUT WITH ATTACK ON PRESENT, PAST, AND FUTURE PLANS—MOREELL OPPOSES GOVERNMENT COMPETITION WITH BUSINESS—CRITICS HAVE CHARGED THAT TASK FORCE IS STACKED WITH 26 PRIVATE-POWER ADVOCATES

(By Alan S. Emory)

WASHINGTON, June 11.—The Hoover Commission, which meets today on its water resources report, is expected to come out with a blast against Federal power projects, present, past, and future.

NOT A SURPRISE

This will not surprise critics of the task force, who have argued bitterly that the task force, under Adm. Ben Moreell, chairman of the board of the Jones & Laughlin Steel Corp., was stacked with 26 private-power advocates.

Admiral Moreell favors getting the Government out of competition with private business. The man on the task force he listens to most closely is J. W. Reavis, a Jones & Laughlin director and director of the National City Bank, of Cleveland, the Industrial Rayon Corp., the Hershaw Chemical Co., the Electric Controller & Manufacturing Co., four other firms and the Cleveland Chamber of Commerce.

Of 10 engineers on the task force, 9 were on the action panel of the Engineers Joint Council. In 1951 this panel, headed by W. W. Horner, of St. Louis, chairman of the flood control sub-group of the task force, advocated:

1. "Sale of Federal power * * * in general * * * at the generating stations."

2. Federal, State, and local taxation of Federal-power projects.

3. "The Federal Government should not engage in the production or supply of power primarily in order to fill the power requirements of any community or region"—a crack at the Tennessee Valley Authority.

4. Except where Congress specifically reserves authority, local enterprise should not only be encouraged, but should have priority to make hydroelectric power development under proper governmental control and regulation.

5. The law should provide that States or other local agencies may acquire hydroelectric power developments or transmission lines constructed by the United States.

6. Federal hydroelectric projects cannot reasonably be used as measures of economic efficiency or of propriety of costs or rates for privately produced power.

The nine members of the council on the Task Force are Arthur B. Roberts, chairman of the waterpower subgroup; William D. Shannon, another member of the subgroup; Carey H. Brown, Julian Hinds, Mr. Horner, Frank H. Newmam, Jr., Malcolm Pirnie, Royce J. Tipton, and Lacey V. Murrow.

Mr. Roberts favors private companies' taking over control of all Government power projects and made a report along this line for Haskins and Sells, auditors for a number of private firms including Electric Bond & Share. The report also favored bus-bar sales. The Roberts report prepared in addition for the old Hoover Commission in 1949 was criticized by four old commission members, including Sen. GEORGE D. AIKEN, Republican, Vermont, as special pleading for the line taken by private utility companies.

Mr. Shannon is author of a letter to a Seattle newspaper in which he criticized public-power theories as socialistic.

Chairman of the reclamation and water-supply sub-group is former Wyoming Gov. L. A. Miller. He wrote a Saturday Evening Post article on power in 1949 called The Battle That Squandered Billions. It was reprinted by the Edison Electric Institute and many private companies.

Also on this panel is Harry E. Polk, former president of the National Reclamation Association, which said in 1952 that "sales of power from Federal developments should be made to public and private users at the bus bar where possible." In opposing the Federal Government plan for a high dam at Hells Canyon on the Snake River in Idaho, Mr. Polk said big industry in the Pacific Northwest may have been seduced with the bait of cheap power with the deliberate intent of overloading the capacity of existing installations so that Congress would appropriate more money to build more power dams.

R. W. Sawyer, another member of the power sub-group, is a former reclamation association chief and held the same post with the Oregon Reclamation Congress, which was financially backed by private utility firms.

William B. Bates, of the flood-control panel is a director of the East Texas Chamber of Commerce, which strongly opposed the renomination of Leland Olds to the Federal Power Commission. Mr. Olds is a strong public power man. In September, 1953, the chamber favored "sale to private owners of all Government-owned property not necessary for the legitimate functions of Government."

E. A. Kracke, accounting adviser to the task force, is a partner of Haskins & Sells. Carl Byoir, press relations counsel, has clients that have strongly opposed TVA. Harry W. Morrison of the flood control unit is head of Morrison-Knudsen, large contracting firm that has contracts with the Idaho Power Co., a bidder to construct dams in opposition to Hells Canyon.

When the Hoover Commission published a press release on the task force it omitted some details about the members.

The biographies did not say that:

Mr. Horner, as St. Louis city engineer, was for a while Admiral Moreell's employer.

Mr. Reavis was a Jones & Laughlin director.

James P. Growdon of the navigation subgroup is an engineering consultant to several utility companies.

Albert C. Mattei of the power subgroup is one of Chairman Hoover's closest associates.

Mr. Morrison is a friend of Interior Secretary Douglas McKay and a former employer of Ralph Tudor, who just quit as interior undersecretary.

Mr. Pirnie is a trustee of the Committee on Economical Development.

Nowhere does the press release show that any of the task force members, with the exception of Mr. Brown, was on the Engineers Joint Council.

Other outspoken Commission foes of public power include Utah's Gov. J. Bracken Lee, John Jirgal, Chicago utility finance specialist; Donald Richberg, general counsel to the task force and former New Deal braintruster, and Charles L. Andrews of the power subgroup, a Memphis cotton shipper who says he does not support TVA.

While a few task force members are not outright foes of public power, there is not a public power advocate in the 26. For this reason, the task force report, which advocates Federal disposal of all TVA properties and private enterprise construction of all atomic energy electric power plants, will not be a surprise—although it will cause lots of heated debate.

DISCUSSION AT THE FORTHCOMING GENEVA CONFERENCE OF THE STATUS OF NATIONS UNDER COMMUNIST CONTROL

Mr. JOHNSON of Texas. Mr. President, has the morning business been concluded?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Morning business is closed.

Mr. JOHNSON of Texas. 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.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the resolution (S. Res. 116) favoring discussion at the coming Geneva Conference of the status of nations under Communist control.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. JOHNSON of Texas. Mr. President, if the Senate will indulge me for a very few minutes, I should like to make a brief statement concerning the resolution.

Each Senator has on his desk a printed copy of the hearings on Senate Resolution 116. He also has a copy of the resolution and of the very excellent report on the resolution by 14 members of the Senate Foreign Relations Committee, all except one having been present at the time the resolution was considered in committee.

Mr. President, it is somewhat unusual to have a resolution submitted in the Senate late on Monday, to have a committee hold hearings and consider it almost into the evening of Tuesday, and to have the Senate debate it on Wednesday. But many unusual factors surround the resolution. First, it is somewhat unusual to ask unanimous consent to consider a foreign policy resolution between quorum calls in the Senate without advance notice to the Members. Second, it is very unusual to have any such resolution considered by the Senate without first having obtained recommendations from the Senate's agent—the Committee on Foreign Relations.

I hope I state the sentiment of the membership when I say that no committee of the Senate is composed of men of greater stature, greater intelligence, greater devotion to duty, or greater patriotism than the distinguished members of the Committee on Foreign Relations on both sides of the aisle, who are presided over by the dean of the Senate, the very able senior Senator from Georgia [Mr. GEORGE].

Like all the members of the Committee on Foreign Relations who voted last evening, I am opposed to the resolution. I am opposed to it not because I am unconcerned with the enslavement of free people who have been brought behind the Iron Curtain; but because, in my opinion, if the Senate does not fearlessly stand up and reject the resolution overwhelmingly, the Senate will no longer be a partner with the Executive in the conduct of foreign relations. It will become the dominant force.

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

Mr. JOHNSON of Texas. Not at this point. I shall conclude my statement, and the junior Senator from Wisconsin then will have ample opportunity to present his views.

I ask the Senate not to be diverted from the primary issue involved: Shall the Senate in this critical hour—as our leader goes forward to represent the Nation in a conference with other great nations of the world—instruct, advise, and place that leader in a straitjacket? I have no doubt that attempts will be made to divert the Senate from that main issue. But I hope the Senate will refuse to be diverted.

For that reason, when the junior Senator from Wisconsin on Monday afternoon asked the Senate for permission to submit, out of order, the resolution, and when the junior Senator from Wisconsin on Monday afternoon asked the Senate to proceed immediately to consider the resolution, the majority leader was forced to object. I did not object to the sentiment, affection, and concern for enslaved peoples, which the resolution implied. I think every Member of the Senate, on this side of the aisle and on the other side of the aisle, has made a record well known to this body and to the country as to his feelings in this matter.

But I felt it was my duty, as the designated representative of the majority party, and the one who must be responsible for maintaining the dignity, the traditions, and the procedures of the Senate, to stand up and to counsel the Senators present not to take any action on a resolution of this character or any amendment to it unless an opportunity were first given our experts in that field, the members of the Committee on Foreign Relations, to digest the proposal; to evaluate it; to call in the experts from the Department of State; to counsel with the constitutional authority, the President; and then to make their recommendations.

I conferred with the distinguished minority leader [Mr. KNOWLAND]. He agreed to join with me in asking the Committee on Foreign Relations to take prompt action, because the junior Senator from Wisconsin had stated that he felt he should have action by Thursday; that he felt if the resolution were referred to the committee, prompt action could not be obtained; that he had previously sent a similar resolution to the committee, which the committee had not approved.

At that time I made a statement, and I should like to have every Member of the Senate follow it carefully, because more is involved in this matter than a desire on the part of the Senate to express its concern for the peoples of the nations who have been brought into the Communist

orbit. In the question before the Senate there are involved the demand made by the junior Senator from Wisconsin and the assurances given by the majority leader of the Senate. I have spoken about the request of the junior Senator from Wisconsin. I said that he asked, first, for permission to submit the resolution, and second, for its immediate consideration.

I see present in the Chamber the senior Senator from Florida [Mr. HOLLAND], the Senator from Oregon [Mr. NEUBERGER], and perhaps one or two Senators on this side of the aisle who were present on Monday evening. There were also present perhaps half a dozen Senators on the other side of the aisle.

The acting minority leader, the able senior Senator from Minnesota [Mr. THYE] supported the position of the majority leader, which was that Senators must feel free to leave the Chamber to go to their committees, to their States, or to their homes, fully assured that the word of the leadership is a bond, and that there will be no dilly-dallying, shinnying, or weaseling out of responsibilities.

So I pleaded with the junior Senator from Wisconsin, to permit the resolution to be referred to the Committee on Foreign Relations, so that the recommendations of the committee could be obtained—not because I wanted to bury the resolution; not because I wanted to sweep it under the rug; not because the majority leader wanted to bottle it up; but because it was sound, orderly procedure.

I said on that occasion that we must never adopt a procedure in the Senate—because the Senate operates, so to speak, in a goldfish bowl—whereby action is taken on foreign policy between quorum calls, after sundown, and without advance notice.

I shall now quote from page 8722 of the RECORD of Monday, June 20, 1955. I had just finished saying that I hoped the resolution could be referred to the committee, thus following the regular procedure. The junior Senator from Wisconsin then asked:

How soon will that be?

I then said:

I have attempted to assure my friend from Wisconsin that if he will give me an opportunity to make a study of the resolution—I have been a busy man most of today—

Senators will remember that on Monday the military defense appropriation bill, with the Marine Corps amendment, was under consideration—

I shall try to study it tonight.

I think that was almost 7 o'clock.

I shall confer with the appropriate Members in the morning, and I shall be glad to discuss it with the Senator further.

I ask my colleagues to listen and to follow me carefully in this recital of events. I want every Member, on both sides of the aisle, to hear this statement, and to put himself in the position of the junior Senator from Wisconsin or the Senator from Texas, because, except for the grace of God, it might have been he.

The question before the Senate today has greater implications than merely the consideration of a resolution. The junior Senator from Wisconsin was asking on Monday evening for the consideration by the Senate of a resolution. The majority leader has responsibilities. I will say that the Senator from Wisconsin did not ask that the Senate vote on the resolution on Monday evening. He asked to submit it on Monday evening, and he would have followed that with a request for its immediate consideration, so that a vote could be had on the following day or at some other appropriate time.

I have no desire to mislead the Senate, I will say to the Senator from Wisconsin. But I will repeat what I said to the Senate when the Senator sought to submit the resolution late in the evening, long after the morning hour had passed. He wanted consideration of the resolution so the Senate could act on it without its going to the committee, and he said he did not want it buried in committee. He did not use that language, but he pointed out that he had other resolutions in the committee which had never seen the light of day. I knew what the Senator was talking about.

I had no desire whatever, nor do I have any desire now, as I made it clear to the Foreign Relations Committee yesterday, and as I make it clear to the Senate now, to prevent the Members of this body from expressing themselves in the strongest language they care to use, and by a yea-and-nay vote. I said to the Senate:

I have no desire to keep any Senator from expressing any view he may possess or to keep his view from being recorded. But the resolution would have a better chance of appealing to the intelligence of the Members of this body if it followed the orderly procedure.

I want to repeat that:

I have no desire to keep any Senator from expressing any view he may possess or to keep his view from being recorded.

On the basis of that and other statements, and the assurances of the acting minority and the majority leaders, the distinguished Senator from Wisconsin permitted the resolution to go to the committee.

In keeping with the letter of my statement and in keeping with the spirit of my statement, after full consultation with the chairman of the Committee on Foreign Relations at his hospital room yesterday morning, and with his knowledge and with his approval, I asked the committee to give every Senator the right to express his views and to be recorded. It has been said—and I do not want it truthfully to be said of the Senator from Texas—that Senators can maneuver and Senators can be clever and Senators can move that resolutions be referred to committees for the purpose of burial. That has never been my purpose and it was not my purpose in this specific instance.

When I make a statement to this body that I have no desire to prevent any Senator from expressing himself or being recorded, I mean just that. I hope the Senate will not be diverted, by any parliamentary tactic, from putting itself in position where it can say "Yes" or "No" to this resolution, just as the Foreign Relations Committee did yesterday.

I might say that a substantial number of the members of my party, and some members of the other party, have discussed with me the desirability of having an expression of the sense of the Senate, not as to the agenda of the Geneva Conference, not as to what the President should or can or must do, but of the concern of the Senate over the fate and the future of people who have been enslaved.

For myself, I shall be glad to join with the distinguished chairman of the Committee on Foreign Relations, the distinguished minority leader, the distinguished chairman of the minority policy committee, members of the Foreign Relations Committee, or any other Members of the Senate, in the submission of a Senate resolution. I shall be glad to have it referred to the appropriate committee, where it can be considered thoroughly—dotting all the i's and crossing all the t's, in consultation with all the career officers who serve the country in the State Department, the Secretary of State and the President. I shall be glad to cooperate in bringing something to this floor that will be interpreted not as a gun at anyone's head, but as an expression of genuine sentiment.

In my opinion, the issue before the Senate is a very simple one. It is whether the President of the United States shall be sent to the Big Four Conference in a straitjacket. I should like to point out that this issue is not confined merely to the present President. I recall, with some distress, and with some depression, that just before a certain spokesman for this Nation went away on one occasion to attend an important conference, some rather critical speeches were made about him.

I point out to the Senate that the President is not a member of my party. The Secretary of State is not a member of my party. On the occasion to which I have just referred the Secretary of State was a member of my party. I felt it was cruel to send that spokesman forward to speak for the greatest Nation in the world, when derogatory things were being said about him at home. But although the President is not a member of my party, he is the President of my country—the only President we have. I think we should stop, look, and listen before we leave any shadow of a doubt about how the Senate feels on the particular issue now before us.

There were some Senators who said, "If the resolution is tabled, or if it is voted down, such action will be interpreted by the Communists as throwing overboard all the peoples whom the Communists have engulfed. It will also be misunderstood by some of the minority groups in this country."

Mr. President, the position of the United States Senate must never be judged on the basis of what Communist propaganda may or may not say. The position of the Senate must be based on whether we are right or whether we are wrong, and, Mr. President, it is wrong to adopt a resolution such as that now before the Senate.

In our dealings with other nations, Members on both sides of the aisle must remember that only one man can speak for our country. Mr. President, he can-

not speak very clearly, and he cannot speak very effectively, if he has a congressional gag in his mouth before he speaks.

Stripped of all its verbiage and all its gimmicks, the adoption of the resolution would put the President in a straitjacket.

If the Senate wants to express itself, and if the Senate has any confidence in itself and in its committees—and the Foreign Relations Committee, as I have said, is a very able committee, one which is manned with a staff that is second to none—members can sit in consultation with the President and the Secretary of State, and draw upon the wealth of experience and the wisdom of some of the senior members of the committee, and with such support, a resolution can be adopted which will express the sense of the Senate. Only last week, the Senator from Alabama, in whom I have the greatest confidence, and for whom I have the greatest respect, asked the majority leader to permit him to call up for immediate consideration a resolution involving the distinguished Helen Keller, and expressing the good wishes of the Senate. I said, "That resolution can stand the scrutiny of tolerant and able men. Submit the resolution this afternoon. Send it to the committee tonight. You can get it back the day after tomorrow. The Senate operates efficiently and expeditiously; and you can have a hearing, if necessary; and you can have a committee report on the resolution." That procedure was followed.

But, Mr. President, is a different procedure to be followed when we deal with the foreign policy of our Nation? If the Senate is in favor of dealing with foreign policy without following the recommendations of its Foreign Relations Committee, what is to keep the House of Representatives and its 435 Members from doing likewise?

Mr. President, I hope no Member of this body will be diverted. I hope all Members of this body will understand the basic issue in the resolution as I understand it, namely—Shall the Senate, on the eve of the Big Four conference, express the sense of the Senate in such a way as, in effect, to dictate and direct and circumscribe the activities of our negotiators?

I wish to make it abundantly clear that if the Senate desires to go on record regarding the fate and future of the nations which have been taken behind the Iron Curtain, at an appropriate time, in an appropriate manner, and after an appropriate committee has considered such a resolution, I shall be glad to see that the Senate has an opportunity to record its position.

The junior Senator from Wisconsin [Mr. McCARTHY] asked the majority leader to have the committee consider the resolution, and he said he wanted the Senate to consider it. The majority leader assured him that he had no desire to prevent any Senator from expressing himself or recording himself.

I hope every Member of the Senate will help me make good that assurance. As I assured some Senators this morning, I now assure all Senators there has been no dilatory move on the part of the majority leader, nor was there any on the past Monday. If we can vote this resolution either up or down, rid our calendar of it, meet it as fearless men in a free country trying to preserve liberty, then, Mr. President, in the quietness of our committee room, with the counsel of our most experienced members, acting with the advice of our most trusted public servants, we can draft any statement which a majority of that great committee deems desirable.

I wish to appeal to the membership to support me in seeing to it that every Senator has an opportunity fully to express himself, and in seeing to it that every Member has a full opportunity to be recorded on the pending resolution. If Senators do that, Mr. President, I assure them that I will treat each Member just as I treated the junior Senator from Wisconsin. He demanded prompt action on his resolution in the committee, and he got it. He wanted prompt action taken on the floor of the Senate and he shall get it. Perhaps the earliest opportunity for taking such action was on yesterday; and I want him to get it no later than today.

Mr. President, on the question of agreeing to the resolution, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from California.

Mr. KNOWLAND. I wonder whether the Senator from Texas will permit me to make a statement at this time.

Mr. JOHNSON of Texas. Certainly.

Mr. KNOWLAND. Mr. President, I had not intended to make a statement to the Senate at this point in the debate; but, rather, I had planned to wait until after the opening statement by the distinguished acting chairman of the Foreign Relations Committee, the senior Senator from Rhode Island [Mr. GREEN], had been made. However, in view of the statement which has been made by the distinguished majority leader, I think I should make a statement at this time.

Up to a certain point, Mr. President, as regards the procedural situation confronting the Senate, I fully agree with the majority leader. In the field of legislation, except under most unusual circumstances, I think that any exceptions to the regular procedure should be very rare, indeed.

It seems to me that when a resolution or proposed legislation affecting the foreign policy of our Government or, indeed, affecting domestic policy, or even a proposal expressing the sense of the Senate on a particular question, is presented, the proper legislative procedure is for such a resolution or bill or other legislative proposal to be referred to the appropriate committee. On that point, the majority leader was sound; and in my earlier discussion with him, I agreed that that was the proper procedure, and I was prepared to support him fully regarding it.

I have very carefully read and reread the RECORD. I realize that there is always room for an honest difference of opinion. In this great deliberative body, we must recognize the fact that Members who have sincere convictions on a given subject may place somewhat different interpretations upon the facts.

I think that assurance was given to the junior Senator from Wisconsin [Mr. McCARTHY] that if he would not press for the taking of the action he requested—and for which, in fact, he could not press, because it was subject to objection; and I say quite frankly that if the majority leader had not been in his seat at the moment, but if the minority leader had been here, instead, I would have objected, even though the request had come from my side of the aisle—that if he would not press his request for the taking of immediate action on the resolution, without having it referred to the appropriate committee, then, if it was possible to work out the parliamentary difficulty which arose late in the afternoon, very prompt consideration would be recommended by the majority leader to the Foreign Relations Committee. In that recommendation he had the full concurrence of the minority leader.

Of course, what the committee did was a matter subject entirely to the determination of the Foreign Relations Committee itself. I do not believe there was any statement or any implication as to what the action of the committee would be.

Apparently the distinguished majority leader—and I can quite understand his position—felt that he had made a further commitment—perhaps an implied one, if not a direct one—that not only would action be taken by the committee, but that insofar as his recommendation could be followed, the resolution would be brought before the Senate itself, for a direct vote by the Senate.

On that point I do not differ with the distinguished majority leader, although I do not so interpret the language which appears in the RECORD; and neither do I so interpret the language when it is considered on the basis of the customary procedure in the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me at this point?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. How would the Senator from California interpret this language, if he received assurance from the Senator from Texas:

> I have no desire to keep any Senator—

Not any member of the Foreign Relations Committee, but any Senator—

> from expressing any view he may possess or from keeping his view from being recorded.

Mr. KNOWLAND. Again, I do not wish to quarrel on the basis of a difference of opinion. The Senator from Texas made his statement. He may have had one thing in mind. I may have misinterpreted his position. In this great forum, in which we all pride ourselves on freedom of debate, it has been customary not to attempt to foreclose a Senator from expressing his views on any subject. Only after the most prolonged discussion have some of us who have had grave doubt as to the advisability of further discussion after a subject matter

has been thoroughly covered been willing to suggest parliamentary means of bringing debate to an end. Why? Because we feel that it is important that there be opportunity to discuss freely and amply any subject.

I interpret the remarks of the distinguished majority leader—and I think they are subject to such interpretation—to mean that he had no intention of foreclosing the Senator from Wisconsin from submitting his resolution, from discussing it on that day, if he desired to do so, or at any other time, on the floor of the Senate.

When the Senator from Wisconsin indicated that in the past he had submitted resolutions upon which, when referred to the Committee on Foreign Relations, there had been no hearings, the Senator from Texas was giving his assurance, insofar as he could give assurance, to the Senator from Wisconsin that he would recommend to the committee—and in that he was joined by the minority leader—that the committee afford a prompt hearing, because, as the Senator from Wisconsin pointed out, this is a subject with respect to which he, at least, felt that time was of the essence. The Foreign Ministers were meeting in San Francisco at the very time, and if the normal committee processes had been followed—which would not have been unreasonable—and we had waited until next week, the issue would have been a moot question, so far as the Senator from Wisconsin was concerned.

So I feel that the distinguished majority leader was giving assurances that the Senator from Wisconsin would have an opportunity to present his views to the committee, that the committee would be able to hear him in public session, or in executive session, as the case might be; that the committee would be able to call representatives from the State Department, and then would make its decision.

Up to that point, I think the majority leader and the minority leader have no difference whatever. I do not wish to labor this point, because it is water over the dam. Personally I believe that it would have been better procedure, after listening to the testimony and the very cogent reasons which were presented—and I think they were cogent reasons—why it was not in the best interests of our foreign policy to have such a resolution adopted at this time, to follow the normal committee procedure.

Of course, we all recognize that we have a deep interest in the captive peoples behind the iron curtain. Nevertheless, personally I believe that it would have been better procedure for the committee to do what committees normally do, that is, to take action; and if it did not believe the resolution should be adopted, a motion could be made to table it. I was prepared to support, and did support, a motion to table the resolution in the committee.

I think that would have been effective action. The Senator from Wisconsin would have had his day in court. The committee itself, which is primarily charged with foreign policy, would have acted. The Senator from Wisconsin would still not have been foreclosed. If he had desired to pursue the matter, he could have moved to discharge the committee. But at least the question would have been handled in consonance with the customary and normal procedure of the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. Let me finish.

After all, we live by majority government. Sometimes our views prevail, and sometimes we are on the short side of a vote. One important feature of our great American constitutional system, which is unlike many other systems of the world, is that we are prepared to achieve the will of the majority in a parliamentary body, and support the decision with good grace. The decision of the committee has been made. It determined to report the resolution adversely. So discussion of the subject will be carried on by the acting chairman of the committee. I am prepared to support the decision of the Foreign Relations Committee in that regard, even though I feel that the other procedure would have been better.

I regret that the distinguished Senator from Wisconsin [Mr. McCARTHY] is not present in the Chamber. He told me that he was obliged to return to his office. He knew that I was about to discuss this subject, and the general procedures leading up to the present situation. I know that he has a very deep interest in this matter and a very deep conviction and concern with respect to the peoples behind the Iron Curtain.

Indeed, I think all 96 Members of the United States Senate have a very deep concern about those who, through no fault of their own, find themselves enslaved by the most godless tyranny the world has ever known. I do not want, and I do not believe the Senate wants, either before the Iron Curtain or behind the Iron Curtain, to get the impression from Communist propaganda or otherwise, that the defeat of this resolution—if it is the judgment of the Senate, for the reasons presented, that it should be defeated—means any lack of interest in the enslaved peoples behind the Iron Curtain. In my judgment that would not be the case. The record should be clear, and every Member of the Senate should clearly understand it.

I do not intend to take a great deal of the time of the Senate in placing material in the RECORD. I think the distinguished Senator from Wisconsin [Mr. McCARTHY] was in error when he felt that, merely because Pravda, as he pointed out in one of his speeches the other day, had indicated that the Soviet Union would not, at the meeting at the summit, discuss the question of the peoples behind the Iron Curtain, that question could not be discussed at the summit. Certainly no Government of the United States—and certainly not the present Government—will permit the Soviet Union to say, by unilateral action, that a certain subject matter cannot be discussed, and that, ipso facto, it cannot be discussed. I think this was made very clear by Mr. Hoover, Acting Secretary of State, yesterday, when he said:

In the preliminary conversations that have already taken place regarding arrangements for the conference, it has been agreed that each of the participants would be free to take up any subject which it believed to be a contributory cause to world tensions.

Members of the Senate will find that statement on page 5 of the appendix, to the testimony in public session by the Acting Secretary of State, Mr. Herbert Hoover, Jr.

I have been authorized by the President of the United States, after conferring with him this morning, to state that the question of the enslaved peoples in the satellite countries has been and now is of interest to him and to the executive branch of the Government, and has been the subject of numerous conferences.

He further authorizes me to state to the Senate that this question has also been the subject of a considerable number of conversations between the President of the United States and the minority leader, over a considerable period of months.

I submit that the record of President Eisenhower, who has been in office now for only a little more than 2 years, has consistently shown a deep interest in the subject matter, a deep interest in peace with honor, a deep interest in the subject of human freedom. I shall not take the time of the Senate to read all the quotations, because I am sure that they are known to every Member of this body on both sides of the aisle. However, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an excerpt from the state of the Union address delivered by President Eisenhower on February 2, 1953, together with a letter from President Eisenhower to the President of the Senate, enclosing a draft of a proposed resolution.

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

A. STATE OF THE UNION ADDRESS OF PRESIDENT EISENHOWER FEBRUARY 2, 1953

[Excerpt [1]]

Third. Our policy, dedicated to making the free world secure, will envision all peaceful methods and devices—except breaking faith with our friends. We shall never acquiesce in the enslavement of any people in order to purchase fancied gain for ourselves. I shall ask the Congress at a later date to join in an appropriate resolution making clear that this Government recognizes no kind of commitment contained in secret understandings of the past with foreign governments which permit this kind of enslavement.

B. LETTER FROM PRESIDENT EISENHOWER TO THE PRESIDENT OF THE SENATE INCLUDING A DRAFT OF THE PROPOSED RESOLUTION

FEBRUARY 20, 1953.

DEAR MR. PRESIDENT: In my message to Congress of February 2, 1953, I stated that I would ask the Congress at a later date to join in an appropriate resolution, making clear that we would never acquiesce in the enslavement of any people in order to purchase fancied gain for ourselves, and that we would not feel that any past agreements committed us to any such enslavement.

In pursuance of that portion of the message to Congress, I now have the honor to inform you that I am concurrently informing the Speaker of the House that I invite the concurrence of the two branches of the Con-

[1] H. Doc. 75, 83d Cong., p. 2.

gress in a declaration, in which I would join as President, which would:

(1) Refer to World War II international agreements or understandings concerning other peoples;

(2) Point out that the leaders of the Soviet Communist Party who now control Russia, in violation of the clear intent of these agreements or understandings, subjected whole nations concerned to the domination of a totalitarian imperialism;

(3) Point out that such forceful absorption of free peoples into an aggressive despotism increases the threat against the security of all remaining free peoples, including our own;

(4) State that the people of the United States, true to their tradition and heritage of freedom, have never acquiesced in such enslavement of any peoples;

(5) Point out that it is appropriate that the Congress should join with the President to give expression to the desires and hopes of the American people;

(6) Conclude with a declaration that the Senate and the House join with the President in declaring that the United States rejects any interpretations or applications of any international agreements or understandings, made during the course of World War II, which have been perverted to bring about the subjugation of free peoples, and further join in proclaiming the hope that the peoples, who have been subjected to the captivity of Soviet despotism, shall again enjoy the right of self-determination within a frame-work which will sustain the peace; that they shall again have the right to choose the form of government under which they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter.

I am enclosing a form of draft resolution, which, in my opinion, carries out the purposes outlined above, and in which I am prepared to concur.

Sincerely,

DWIGHT D. EISENHOWER.

DRAFT RESOLUTION

Whereas during World War II, representatives of the United States, during the course of secret conferences, entered into various international agreements or understandings concerning other peoples; and

Whereas the leaders of the Soviet Communist Party, who now control Russia, have, in violation of the clear intent of these agreements or understandings, subjected the peoples concerned, including whole nations, to the domination of a totalitarian imperialism; and

Whereas such forcible absorption of free peoples into an aggressive despotism increases the threat against the security of all remaining free peoples including our own; and

Whereas the people of the United States, true to their tradition and heritage of freedom, are never acquiescent in such enslavement of any peoples; and

Whereas it is appropriate that the Congress join with the President in giving expression to the desires and hopes of the people of the United States: Therefore, be it

Resolved, That the Senate and House concurring,

Join with the President in declaring that the United States rejects any interpretations or applications of any international agreements or understandings, made during the course of World War II, which have been perverted to bring about the subjugation of free peoples, and further

Join in proclaiming the hope that the peoples who have been subjected to the captivity of Soviet despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter.

Mr. KNOWLAND. Mr. President, I next call to the attention of the Senate a paragraph in the message which the President of the United States sent to the members of the United Nations Commission on Human Rights at the opening of its session on April 7, 1953, in Geneva. I read the pertinent paragraph in the message:

Unfortunately, in too many areas of the world today there is subjugation of peoples by totalitarian governments which have no respect for the dignity of the human person. This denial of the freedom of peoples, the continued disregard of human rights, is a basic cause of instability and discontent in the world today.

Mr. President, that fits in very closely and very fully with what the Acting Secretary of State said, that no subject is foreclosed from discussion at the meeting at the summit.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the text of a message which the President of the United States sent to Chancellor Conrad Adenauer, as released by the State Department on June 26, 1953.

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

I have received with deep interest and sympathy your message of June 21. The latest events in East Berlin and Eastern Germany have stirred the hearts and hopes of people everywhere. This inspiring show of courage has reaffirmed our belief that years of oppression and attempted indoctrination cannot extinguish the spirit of freedom behind the Iron Curtain. It seems clear that the repercussions of these events will be felt throughout the Soviet satellite empire.

The United States Government is convinced that a way can and must be found to satisfy the justified aspirations of the German people for freedom and unity, and for the restoration of fundamental human rights in all parts of Germany. It is for the attainment of these purposes that the Government you head and the United States Government have been earnestly striving together. Although the Communists may be forced, as a result of these powerful demonstrations in East Germany to moderate their current policies, it seems clear that the safety and future of the people of Eastern Germany can only be assured when that region is unified with Western Germany on the basis of free elections, as we urged the Soviets to agree to in the notes of September 23, 1952, dispatched by the American, British, and French Governments. It is still our conviction that this represents the only realistic road to German unity, and I assure you that my Government will continue to strive for this goal.

In their hours of trial and sacrifice, I trust that the people of Eastern Germany will know that their call for freedom has been heard around the world.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a paragraph from the speech of the President of the United States at the Sixth National Assembly of the United Church Women, National Council of Churches of Christ, on October 6, 1953, which deals with the subject matter under discussion.

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

The mysteries of the atom are known to Russia. Russia's hostility to free government—and to the religious faith on which free government is built—is too well known to require recital here. It is enough for us to know that even before Russia had this awesome knowledge, she by force gained domination over 600 million peoples of the earth. She surrounded them with an Iron Curtain that is an effective obstacle to all intellectual, economic, and spiritual intercourse between the free world and the enslaved world. Now, of these two worlds, the one is compelled by its purpose of world domination, the other by its unbreakable will to preserve its freedom and security to devote these latest discoveries of science to increasing its stockpiles of destructive armaments.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the letter written by the President of the United States to one of the leaders of free Polish groups relative to the tyranny which exists within the confines of Communist Poland.

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

THE WHITE HOUSE.—The White House today made public the following letter from the President to the Honorable CLEMENT J. ZABLOCKI:

"DEAR MR. ZABLOCKI: I have your letter of October 14 regarding the action taken recently against a courageous leader of his church, Stefan Cardinal Wyszynski, Primate of Poland. The arrest and internment of Cardinal Wyszynski is profoundly discouraging to those of us who look for signs of Communist willingness to respect basic human rights of freedom of thought and conscience. Without evidence of such willingness, it is difficult to believe that the Communist governments intend to honor agreements which might be reached to reduce world tensions. You may recall that I spoke of this in connection with the arrest of Cardinal Wyszynski at my news conference of September 30.

"The calculated repression of all religious organization in the Communist states makes it apparent that wherever Communists are in position to use force and violence, they will do so in an effort to win domination not only over the body and mind of man, but over his soul as well. I share very strongly the conviction which was expressed in the condemnation of the action against Cardinal Wyszynski issued by the Department of State on September 30, that the religious spirit of man will never be subdued or extinguished, and that it will remain a sustaining force in Poland during the present tragic suffering of the Polish people. It is my intention that this Government continue to take all appropriate steps to see to it that Communist violations of the inalienable rights of man under God do not go unopposed, and that they are effectively, exposed in every forum.

"Sincerely,

"DWIGHT D. EISENHOWER."

Mr. KNOWLAND. Mr. President, I next call to the attention of the Senate a paragraph from the informal address of the President of the United States in a radio broadcast on April 5, 1954, when the President said:

Moreover, there is a growing understanding in the world, of the decency and justice

of the American position in opposing the slavery of any nation. We do not believe that any nation, no matter how great, has a right to take another people and subject them to its rule. We believe that every nation has a right to live its own life. Every bit of aid we give, every cooperative effort we undertake, is all based upon the theory that it is cooperation among equals.

Mr. President, I next call to the attention of the Members of the Senate an excerpt from the speech delivered by the President of the United States at the Columbia University national bicentennial dinner at the Waldorf-Astoria Hotel in New York City, on May 31, 1954, in which the President discussed the importance of negotiations in Germany for the unification of Germany and the freeing of the peoples behind the Iron Curtain in Eastern Germany. The President on that occasion said:

Negotiations to unify Germany have been, for the time being, at least, nullified by Soviet demands for a satellite climate in that country. With respect to Austria, the United States, Great Britain and France agreed to accept State Treaty terms which up to that moment had been acceptable to the Soviet Union. But once this acceptance was announced, the Soviet Union immediately invented new conditions which would enable it, for an indefinite period, to keep military occupation in Austria.

To such a plan we could not agree. Far better, this administration believes, that we end the discussion with the issue still unresolved than to compromise a principle or to accept an agreement whose price might be exacted in blood years hence.

I now call attention to an excerpt from an address delivered by the President at the American Newspaper Publishers Association dinner in New York City on April 22, 1954. The President said:

We cannot hope with a few speeches, a few conferences, a few agreements, to achieve the most difficult of all human goals—a cooperative peace for all mankind. Hear me, I say, my friends, that your representatives in the diplomatic world have no other thought or no other purpose than that which I have just stated: the achievement of a cooperative peace among the free nations and eventually to enlarge that by appealing to the commonsense, representing the facts of the world as they are today to all others, so that even the iron wall must crumble and all men can join together.

I call attention also to the remarks made by the President of the United States on May 31, 1954, at the Columbia University national bicentennial dinner, from which I have already read another excerpt. On that occasion the President also said:

In this situation, we, the American people, stand committed to two far-reaching policies:

First and foremost, we are dedicated to the building of a cooperative peace, based upon truth, justice, and fairness.

Second, to pursue this purpose effectively, we seek the strengthening of America—and her friends—in love of liberty, in knowledge and comprehension, in a dependable prosperity widely shared, and in a military posture adequate for security.

In these two policies, there is no iota of aggression, no intent to exploit others or to deny them their rightful place and space in the world. This consideration of others—this dedication to a world filled with peaceful, self-respecting nations—finds its only opposition in militant totalitarianism.

I next call the attention of the Senate to the speech of the President of the United States at the American Legion convention in Washington, D. C., on Monday, August 30, 1954, in which he said:

A third truth is this: The safety of any single nation in the free world depends directly upon the substantial unity of all nations in the free world. No nation outside the Iron Curtain can afford to be indifferent to the fate of any other nation devoted to freedom.

In the President's state of the Union message in January 1955, the President had this to say:

It is of the utmost importance, then, that each of us understand the true nature of the world struggle now taking place.

It is not a struggle merely of economic theories, or of forms of government, or of military power. The issue is the true nature of man. Either man is the creature whom the Psalmist describes as a "little lower than the angels," crowned with glory and honor, holding "dominion over the works" of his Creator; or, man is a soulless, animated machine to be enslaved, used and consumed by the state for its own glorification.

It is, therefore, a struggle which goes to the roots of the human spirit, and its shadow falls across the long sweep of man's destiny. This prize, so precious, so fraught with ultimate meaning, is the true object of the contending forces in the world.

In the past year, there has been progress justifying hope for the ultimate rule of freedom and justice in the world. Free nations are collectively stronger than at any time in recent years.

In a message delivered by the President of the United States in a closed circuit television to 35 meetings throughout the Nation in support of the campaign for Radio Free Europe, under the auspices of the American Heritage Foundation, the President said:

While we maintain our vigilance at home and abroad, we must help intensify the will for freedom in the satellite countries behind the iron curtain. These countries are in the Soviet backyard; and only so long as their people are reminded that the outside world has not forgotten them—only that long do they remain as potential deterrents to Soviet aggression.

The great majority of the 70 million captives in these satellite countries have known liberty in the past. They now need our constant friendship and help if they are to believe in their future.

Mr. President, I ask unanimous consent that an excerpt from the remarks which the President of the United States made at the 10th anniversary meeting of the United Nations at San Francisco on June 20, 1955, be printed in the RECORD at this point.

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

Within a month there will be a Four Power Conference of heads of government. Whether or not we shall then reach the initial decisions that will start dismantling the terrible apparatus of fear and mistrust and weapons erected since the end of World War II, I do not know.

The basis for success is simply put: It is that every individual at that meeting be loyal to the spirit of the United Nations and dedicated to the principles of its charter.

I can solemnly pledge to you here—and to all the men and women of the world who may hear or read my words—that those who represent the United States will strive to be thus loyal, thus dedicated. For us of the United States there is no alternative, because our devotion to the United Nations Charter is the outgrowth of a faith deeply rooted in our cultural, political, spiritual traditions.

Woven into the charter is the belief of its authors—

That man—a physical, intellectual, and spiritual being—has individual rights, divinely bestowed, limited only by the obligation to avoid infringement upon the equal rights of others;

That justice, decency, and liberty, in an orderly society, are concepts which have raised men above the beasts of the field: to deny any person the opportunity to live under their shelter is a crime against all humanity.

Our Republic was born, grew, stands firm today in a similar belief.

The charter assumes that every people has the inherent right to the kind of government under which it chooses to live and the right to select in full freedom the individuals who conduct that government.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, the exchange of communications between the President of the United States and Mr. George Meany, the president of the American Federation of Labor, and Mr. Walter Reuther, president of the Congress of Industrial Organizations.

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

The President's message to Mr. Meany and Mr. Reuther sent to them at the International Confederation of Free Trade Unions meeting at Stockholm, read as follows:

"Your message on behalf of the American Trade Union movement sent from the Third World Congress of the International Confederation of Trade Unions is a splendid example of the contributions that free-trade unionism is making to the cause of freedom and justice all over the world. The Government of the United States shares wholeheartedly with you and your associates your feelings about the workers of East Berlin, who by their heroism have demonstrated that totalitarianism has not extinguished the desire for freedom in the enslaved countries of Eastern Europe. I can assure you that this Government will study carefully the proposals you have outlined in your message, with a view to employing every peaceful means to lift the burdens of occupation from the German people."

The message from Mr. Meany and Mr. Reuther to the President sent from Stockholm, read as follows:

"On behalf of 16 million American workers whose representatives are in Stockholm, Sweden, today attending Third World Congress International Confederation of Free Trade Unions, we call upon the Government of the United States immediately to take initiative in aiding workers of Soviet-occupied Germany in their struggle against Soviet totalitarianism. Assembled delegates at ICFTU World Congress, who speak for more than 53 million workers throughout the world have unanimously and with American labor's uncompromising support voted to aid their fellow workers in East Germany in every manner possible. We ask that our Government press for immediate negotiations for free elections in a united Germany for establishment of free political parties and free trade unions and for the immediate liberation of German workers imprisoned by the Soviet occupation authorities for their resistance June 17. We further call for submission of formal complaint to United Na-

tions against the Soviet Union's violation of human rights and freedom of association in Soviet-occupied Germany. In the history of mankind's struggle for liberty, June 17 will go down as memorable moment during which heroic German workers fought not only for themselves, but also battle for all free peoples of the world. Their struggle must have unyielding support of all who cherish freedom. We ask your immediate consideration of our plea."

Mr. KNOWLAND. Mr. President, that has been the record of the President of the United States as to his philosophical beliefs, and, I believe, his very deep convictions.

As I pointed out earlier, this subject has been under discussion in the executive branch of the Government, and I know of my own personal knowledge—I did not make my statement to the Senate without having the approval of the President of the United States to do so—that it has also been under discussion with the majority leader and with others, showing the deep interest the President has had and does now have in this cause.

Mr. President, I wish to invite attention to a statement made by the Secretary of State in a speech he delivered on September 17, 1953. In that speech Secretary Dulles said:

The entire situation in Eastern and Central Europe is bound to be a cause of deep concern. The peoples there are essentially religious people, and they are essentially patriotic people. They have a spiritual faith that is enduring and great traditions which will never be forgotten.

It is not in the interest of peace, or the other goals of the charter, that the once independent peoples of Europe should feel that they can no longer live by their traditions and their faith.

It is charged that unrest only exists among them as it is artificially stimulated from without.

That is true only in the sense that faith is a contagious thing which penetrates even curtains of iron. The American people, like many others, hold to the belief which our founders expressed in the Declaration of Independence that governments derive their just powers from the consent of the governed. Also we believe, as Abraham Lincoln put it, that there is "something in that Declaration giving liberty, not alone to the people of this country, but hope to the world for all future time." No peace can be enduring which repudiates the concept that government should rest on free consent or which denies to others the opportunity to embrace that concept. We do not conceal that conviction, and no United States Government could contain it.

Mr. President, finally, I ask unanimous consent to have printed in the RECORD an excerpt from a radio-television broadcast by Secretary of State Dulles on November 29, 1954.

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

THE CAPTIVE PEOPLES

There is one final aspect of our policies to which I would allude. We believe, as Abraham Lincoln said, that our Declaration of Independence promises "liberty, not alone to the people of this country, but hope for the world for all future time."

Today, a third of the human race is in fearful bondage to Communist dictatorships. But we do not regard that as immutable.

There is, we know, vast human discontent among the 800 million people whom international communism rules. That comes from the enslavement of labor, the suppression of religion, and of individual initiative and the national humiliation of the satellite countries.

Liberation normally comes from within. But it is more apt to come from within if hope is constantly sustained from without. That we are doing in many ways.

A significant recent development has been the Soviet change of policy toward Yugoslavia. In 1948, Yugoslavia broke free from the grip of international communism and reasserted its own nationalism.

Until recently, the Yugoslav Government and nation were threatened and reviled by the international Communists of neighboring Hungary, Rumania and Bulgaria. Now, however, the Soviet Union treats Yugoslavia with deference while it continues to treat with contempt the puppet Governments of Hungary, Rumania, and Bulgaria. That may embolden the satellites to demand a measure of independence.

Developments clearly portend the change, at some time, of the absolute rule which international communism asserts over the once-free nations of Europe and Asia.

(Source: U. S. News & World Report, Dec. 10, 1954, p. 106. Excerpt from radio-television broadcast by Secretary of State Dulles on Nov. 29, 1954.)

Mr. KNOWLAND. I wish to read one paargraph from the excerpt which has just been placed in the RECORD. It is as follows:

Liberation normally comes from within. But it is more apt to come from within if hope is constantly sustained from without. That we are doing in many ways.

Mr. President, I have been deeply concerned by the problem presented by the nations which have been forced within the Communist orbit. I was particularly concerned lest there be a misconception in the outside world and that the poor, desperate, enslaved people behind the Iron Curtain might interpret the action of the Senate as indicating that we have lost interest in them, and, therefore, I have made this statement today. I am glad the distinguished majority leader has made the statement he has made, because the people behind the Iron Curtain may rest assured that we have not lost interest in them.

Mr. President, the President of the United States is about to embark on some highly important conferences.

Mr. McCARTHY. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. In a moment.

These conferences are not meant to solve in 4 or 5 days all the problems of the world. As I understand them, they are more exploratory in nature, designed to find a way to relieve the tensions which exist. We are not foreclosed in raising the issue of the tensions in the satellite countries, any more than is the Soviet Union foreclosed from raising any points of tension which they may have in mind. But, at least, the Department of State and the President of the United States do have freedom of action to raise those issues, and they are not foreclosed, as the Senator from Wisconsin has feared, by the Pravda report. No one knows what may come from these meetings. We all hope that perhaps there has been some change in the Soviet attitude, although many of us who are skeptical that the Soviet leopard has changed its spots in the slightest. I have made no secret of my beliefs. I am frank to admit that I do not believe as of the present time that the Soviet Union has changed its long-term strategy. But I do admire and respect the President of the United States. I know him to be a great American, a man who has rendered magnificent service to his country in time of war and in time of peace. He has been charged by the American people with the most backbreaking task which has ever been created in any Nation at any time, and the heavy burdens of his office are never far from him.

The Secretary of State is now carrying on some preliminary discussions regarding the mechanics of the Geneva meeting, and, perhaps, of the foreign ministers meetings which will follow. Under those circumstances, Mr. President, anything we might do directly, or even indirectly, which would appear to be casting doubt as to whether the President of the United States meant what he said, when time after time, during the period of the past 2 years, he has made his position clear, as have many of us in this Chamber who have expressed our concern and interest in the people behind the Iron Curtain, would be a grave mistake.

I recognize that men may differ in their viewpoints on this subject, but I have felt, for very compelling and very cogent reasons, that the Members on this side of the aisle and on the other side of the aisle should vote against this resolution and, at the same time, make perfectly clear that we are not in any sense of the word losing one iota of interest in the captive peoples. I am sure the President recognizes the great difficulties which confront him.

Let me close by reminding the Senate of the old proverb that it is better to light a single candle than to curse the darkness.

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

Mr. KNOWLAND. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, first, I wish to compliment the Senator on his very able speech and the very fine contribution he has made to the record. I think it is extremely important that all the Members of this body and the citizens of this country and of the world realize that in this resolution there is no real issue of the satellites involved. We all know that their control by the Soviet Union makes for one of the major tensions of our time. Every Member of the Congress, Mr. President, is aware of that. The President is aware of it. The Secretary of State is aware of it. I think the discussions on the subject yesterday in the committee, the discussions on the floor, and, particularly, the able speech by the distinguished minority leader, together with the insertions he has made in the CONGRESSIONAL RECORD, will serve a useful purpose.

Mr. President, I have confidence in the integrity and patriotism of the President of this Nation.

I want every Member of the Senate to know it. I want every citizen of the

country, regardless of his party, to know it. I do not think it is necessary, in order to get the President and the Secretary of State to do their plain duty, to have Congress breathing down their necks with a resolution.

I am delighted that my friend from California differs with me only on the procedure in the committee. Of course, there are differences, as differences go, between the majority leader and the minority leader. I do not wish to haggle over this point.

The Senator from California may be in the same position, perhaps not tomorrow or the next day, but someday. Very few votes divide the membership on both sides of the aisle. The senior Senator from California may again be the majority leader. I hope that that will be, perhaps, after he walks across the aisle, rather than because of an increase in membership on the other side of the aisle.

The minority leader stood with me on another occasion in this body. I know how offensive it is to have one's remarks read back to him, because I had that happen to me recently when some of my former statements were read by the very able Senator from Connecticut.

But on August 2, 1954, the senior Senator from California, who was then the majority leader, stood side by side with me in this Chamber. The Senator was replying to inquiries of the Senator from Minnesota [Mr. HUMPHREY], the Senator from Arkansas [Mr. FULBRIGHT], and various other Senators, about a substitute resolution to be offered in place of the Flanders resolution. The Senator from California did not then, as I did not on Monday, give assurances of what the Senate would do, because no living person can do that. But I think the Senator from California then felt, just as I felt on Monday, that he would not interpose any objection, and not only that but he was most anxious to do what he could to make certain that every Senator had an opportunity to record himself, but to record himself only after all the evidence had been presented to a select committee, which could study it, evaluate it, and then make a recommendation.

I stood with the Senator from California on that occasion. We made no firm commitment as to our action. But we stated, in response to questions from our colleagues, what we anticipated, and that in itself was an assurance.

Mr. McCARTHY. Mr. President, I call for the regular order.

Mr. JOHNSON of Texas. I hope the Senator from Wisconsin will permit me to finish my sentence. I shall be glad to yield to the Senator.

Mr. McCARTHY. I am waiting to get the floor, so I insist that only questions be asked.

Mr. GREEN. Mr. President, who has the floor?

Mr. JOHNSON of Texas. I hope the Senator from California will realize that when I made my statement I felt just as he did, when he believed the matter was one for the Senate to consider.

Mr. McCARTHY. I call for the regular order.

Mr. KNOWLAND. Mr. President, I have about concluded my remarks. I reaffirm now what I said at the opening. I think the Senator from Wisconsin was not in the Chamber at the time; he notified me that he had to go temporarily to his office. I may say to the Senator that I expressed my viewpoint.

I believe he has deep interest, conviction, and concern about the people behind the Communist Iron Curtain. I paid my respects to him for what I think is his sincerity of purpose in this matter. I gave what I believed to be not only my understanding and my differences with the distinguished majority leader on procedural matters, but also as to why I believe the President of the United States, over a period of years, has shown a deep interest in the matter.

Mr. McCARTHY. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. McCARTHY. Does the Senator know what is in the amendment to the resolution? Was he talking about the resolution as it was considered by the committee yesterday, or was he speaking about the resolution as it is proposed to be amended, to conform with the views of Mr. Herbert Hoover, Jr.?

Mr. KNOWLAND. My remarks were directed primarily to the resolution which the junior Senator from Wisconsin had submitted, and as to which he had asked the majority leader to obtain prompt consideration by the committee.

With respect to the resolution, the Senator from Wisconsin appeared before the Committee on Foreign Relations yesterday afternoon. I was present during the entire period of time the resolution was under consideration, which was more than 3½ hours. I do not mean to say that the Senator from Wisconsin took 3½ hours; but the committee met in continuous session. I was present and heard the testimony of the Senator from Wisconsin in support of the resolution which he had submitted, and his argument for his resolution was perfectly proper.

Today the junior Senator from Wisconsin has shown me a proposed amendment, in which he has made some changes from time to time, which is the right of any Senator. The amendment indicates it is intended that certain language be stricken. I understand also that certain language has been added.

But my remarks would apply to the substitute or the amendment, as well, because I think that at this particular time in our history, when the administration has laid a basis for its action, the President and the Secretary of State have a vital interest in the matter. The representatives of the administration have made certain representations before the Committee on Foreign Relations.

Since the Secretary of State is now in San Francisco, I think it would be a mistake for the Senate to adopt a resolution, however it might be modified here and there, and perhaps every 10 or 15 minutes, because of what might appear to be innocuous, or merely, as the Senator from Wisconsin said, because of a statement which would confirm what I have already said is the President's position, and what Mr. Hoover had indicated with respect to the general humanitarian background, which I think is what he had in mind, and the many consistent statements on the part of the President. It would be a mistake for the Senate to agree to such a resolution now.

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

Mr. KNOWLAND. I yield.

Mr. McCARTHY. I am not at all surprised at the position taken by the majority leader. It is in accord with the long record of the Democrat Party to whine and whimper whenever the red-hot stove of Communist aggression is touched. So I am not at all surprised at the position the Democrat leader took. It is in line with the position taken by his party over the last 20 years.

But I am surprised, shocked, and disappointed, I may say, at the position that the Republican leader takes. It is in complete opposition to the solemn pledges made in the Republican Party platform. It is not the role of the Republican Party to backtrack, to appease, to whine, to whimper. That is the position of the Democrat Party.

Mr. KNOWLAND. I may say to the junior Senator from Wisconsin——

Mr. McCARTHY. May I finish?

Mr. KNOWLAND. I have the floor at this time.

Mr. McCARTHY. May I finish my statement?

Mr. KNOWLAND. The junior Senator from Wisconsin is not going to rise on the floor of the Senate and say that the minority leader has been whining and whimpering. I will place my record in opposition to communism and in opposition to the enslavement of the peoples behind the Iron Curtain——

Mr. McCARTHY. Not today.

Mr. KNOWLAND. Against that of the junior Senator from Wisconsin. I respect the Senator for the interest he has taken in combating communism. I voted against the Senator's resolution in the committee because I felt it was not in accord with correct procedure.

The Senator has no right to say on the floor of the Senate that the senior Senator from California, the minority leader, is whining and whimpering in this regard. I have set forth, according to what I believe to be my best and my honest judgment, what I believe to be the position of the President of the United States, what I believe to be the position of the administration.

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

Mr. KNOWLAND. I think I have demonstrated my own position, because I have been subjected to criticism for having differed with the administration on certain approaches in the field of foreign policy.

If I believed there would be anything in the nature of appeasement, or that appeasement would result from the forthcoming conference, I would be the first to rise in the Senate, despite the fact that I occupy the position of minority leader, and make my voice heard. The junior Senator from Wisconsin can make any statement he pleases, but certainly I do not have to accept it.

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

Mr. KNOWLAND. I yield.

Mr. McCARTHY. I said it was the position of the Democratic Party to whine and whimper whenever they touched the red-hot stove of Communist aggression. I did not say the minority leader whined and whimpered. I said I was surprised, shocked, and disappointed that the minority leader would not go along with the Republican platform, from which I quote:

> It will be made clear, on the highest authority of the President and the Congress, that United States policy, as one of its peaceful purposes, looks happily forward to the genuine independence of those captive peoples.

Our platform was that Congress, as well as the President, would make it clear.

The Senator from California campaigned on that platform. The American people elected us on that platform. They repudiated the Democrat leadership because of that party's appeasement and its retreat from victory.

So I cannot help being disappointed—extremely disappointed—that the Senator from California, who had been the leader in this fight against communism until very recently, is suddenly going back on our solemn contract with the American people. I did not say that the Senator from California whined and whimpered. I said it was the Democrat Party that whined and whimpered when they touched the red hot stove of Communist aggression.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The Senator from California has the floor.

Mr. KNOWLAND. The Senator from California has been trying to preserve some equanimity here. I shall continue to do so. I will say to the Senator I have expressed my honest judgments as the minority leader of the Senate. I have given my recommendation to the Senate. Each Member of this body, 96 in number, 47 on this side of the aisle, 49 on the other side of the aisle, can make his own decision, based on the facts and on the record.

Mr. McCARTHY. Will the Senator yield?

Mr. KNOWLAND. I yield the floor.

Mr. McCARTHY. Will the Senator yield before he yields the floor?

Mr. GREEN. Mr. President——

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. McCARTHY. Will the Senator yield while I offer my amendment so we may know what we are talking about?

Mr. GREEN. Mr. President, I have been waiting all afternoon, ever since the Senate convened, to present a report, which had been designated as very urgent, on which the Committee on Foreign Relations worked all day yesterday and until midnight, so the Senate could proceed and not lose time today. So far I have not been able to make the report. If the Senator will yield, I shall not take very long to make the report. Then the Senator from Wisconsin can have the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. GREEN. So, Mr. President, if we can get the train back on the rails, I should like to go ahead.

Mr. President, on behalf of a unanimous Committee on Foreign Relations, I presented to the Senate on yesterday an unfavorable report on Senate Resolution 116, which was submitted day before yesterday by the junior Senator from Wisconsin [Mr. McCARTHY]. Let me say at the outset that the distinguished chairman of the committee, the senior Senator from Georgia [Mr. GEORGE] has been consulted, and is in entire accord with what has been done.

The pending resolution, in its substantive part, would express the sense of the Senate to be that, prior to any Big Four meeting, the Secretary of State should secure the agreement of the other participants to include discussion of the status of Communist-dominated nations on the agenda of such a meeting. The practical effect of this resolution would be to scuttle the Big Four meeting before it begins.

The junior Senator from Wisconsin [Mr. McCARTHY] submitted the resolution under rather unusual circumstances late on Monday, when only a few Senators were present, and he asked for its immediate consideration at that time, without reference to any committee. The Senator stressed the need for haste, and expressed some doubt that his resolution would be considered if in fact it were referred to a committee. After some discussion, it was agreed that the resolution should be referred to the Committee on Foreign Relations, and the majority and minority leaders undertook to seek prompt consideration of the resolution by that committee.

The committee was glad to cooperate, and accordingly, a public hearing was held yesterday afternoon, at which the junior Senator from Wisconsin presented his arguments in favor of the resolution. The committee also heard Acting Secretary of State Herbert Hoover, Jr., who urged that the resolution not be approved.

Mr. Hoover pointed out, among other things, that

> In the preliminary conversations that have already taken place regarding arrangements for the conference, it has been agreed that each of the participants would be free to take up any subject which it believed to be a contributory cause of world tensions. The purpose of such an agreement was to eliminate possible arguments on the fixing of a rigid agenda.

The effect of the adoption of this resolution would be precisely the opposite—that is, it would precipitate endless arguments on the fixing of a rigid agenda.

Following the public hearing yesterday afternoon, the committee went into executive session for further consideration of the resolution. I emphasize, Mr. President, that from the first moment there was no disagreement among the members of the committee as to the substantive merits of the resolution. We were unanimous from the beginning that the resolution had no real merit, and that it should not be agreed to under any circumstances.

The only disagreement in the Foreign Relations Committee was as to the procedure which should be followed in disposing of the resolution.

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

Mr. GREEN. I shall not be long. I prefer not to yield until I complete my statement, and then I shall yield in order to answer any questions which the Senator from Wisconsin may have in mind to ask.

Mr. McCARTHY. Will the Senator yield?

Mr. GREEN. No; I will not yield.

Some thought the resolution should be tabled by the committee; others felt it should be reported adversely so that the Senate itself could act.

There is much to be said for either point of view. I think the principal question which troubled members of the committee was whether unfavorable action by the Senate might be misinterpreted abroad as indicating lack of interest in the plight of the Soviet captive countries of eastern Europe and Asia. Of course, the Senate is not unmindful of the welfare of the people in these countries, and it has expressed that concern on a number of occasions. Nor is there any reason to believe that the President and the Secretary of State are any less concerned than are the Members of the Senate.

The resolution itself is not so much an expression of interest in the captive countries as it is an expression of lack of confidence in the President and the Secretary of State. An overwhelming vote by the Senate to reject the resolution will mean that the Senate is saying to the world that we trust the man who is President of the United States, and that we disavow efforts to put limitations and restrictions on him as he goes into these exceedingly delicate conferences.

Mr. President, I did not vote for the election of the man who occupies the office of President of the United States. I disapprove of some of the policies which he espouses. But when he sits down with the ruler of the Soviet Union I am going to do everything I can to see that he has every advantage he can possibly have. I am not going to be a party to increasing his difficulties, and I am sure the Senate and most of the American people feel the same way.

Mr. President, it was most unfortunate that this resolution was ever submitted. It is both unnecessary and undesirable and, if acted upon favorably would do incalculable harm, not only to the United States, but also to the cause of world peace. I urge the Senate to vote the resolution down, promptly and overwhelmingly, and thereby to undo, insofar as we can, the damage which has already been done.

I ask unanimous consent, that the report of the committee be printed in the body of the RECORD as a part of my remarks.

There being no objection, the report (No. 621) was ordered to be printed in the RECORD, as follows:

> The Committee on Foreign Relations, having had under consideraiton a resolution (S. Res. 116) expressing the sense of the Senate that the present and future status of the

nations of Eastern Europe and Asia now under Communist control shall be a subject for discussion at any conference between the heads of state of the Soviet Union, the United Kingdom, France, and the United States, report the resolution adversely to the Senate by a vote of 14 to 0 and recommend that it not be agreed to.

GENERAL PURPOSE

This resolution, if adopted against the recommendation of the Committee on Foreign Relations, would express the sense of the Senate that prior to any conference between heads of state, the Secretary of State should secure the agreement of other parties at the conference—the Soviet Union, the United Kingdom, and France—that one of the subjects for discussion should be the present and future status of the nations of eastern Europe and Asia now under Communist control.

The Committee on Foreign Relations recommends against adoption of the resolution because, among other reasons, it would unduly restrict the freedom of the President of the United States in the conduct of international negotiations of vital interest to the security of this Nation, and it would have the effect of expressing a lack of confidence in the President at a critical juncture in world history when American unity in foreign affairs is particularly important.

TEXT OF RESOLUTION

The text of the resolution is as follows:

"[S. Res. 116, 84th Cong., 1st sess.]

"RESOLUTION

"Whereas under the Constitution of the United States, the Congress and more particularly the Senate, has concurrent responsibility with the executive branch for the formulation of the international policies of the United States; and

"Whereas the safety, peace, and independence of the United States are seriously threatened by the aggressive world Communist movement under the leadership of the Soviet Union; and

"Whereas the United States is pledged to seek the freedom of the millions of people who have already been enslaved by the world Communist movement; and

"Whereas the safety, peace, and independence of the United States can never be permanently secured, nor the goal of the United States to obtain the freedom of oppressed peoples realized, so long as certain areas of the world remain under Communist control; namely, Estonia; Latvia, Lithuania, Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, Albania, Eastern Germany, Northern Korea, Northern Indochina, China, and the Soviet Union; and

"Whereas the President has determined to confer with the heads of state of the Soviet Union, the United Kingdom and France at Geneva, Switzerland, on July 18, 1955, with the objective of relieving world tensions and thus of attempting to make more secure the safety, peace, and independence of the United States; and

"Whereas the government of the Soviet Union announced on June 13, 1955, and on several occasions prior thereto, that the subject of areas under Communist control would not be discussed by the Soviet Union at said conference between the heads of state; and

"Whereas failure to discuss said areas under Communist control at said Geneva meeting implies dejure recognition of Communist domination of said areas and thus the establishment of a permanent threat to the safety, peace, and independence of the United States; and

"Whereas the Secretary of State is meeting with the Foreign Ministers of the Soviet Union, the United Kingdom, and France beginning June 20, 1955, at San Francisco, reportedly to discuss, inter alia, an agenda for the conference between the heads of state: Now therefore, be it

"*Resolved*, That it is the sense of the Senate that at said Foreign Ministers' meeting at San Francisco or at such other meeting or occasion as may be appropriate, prior to any such conference between the heads of state, the Secretary of State should secure the agreement of the Soviet Union, the United Kingdom, and France that the present and future status of the nations of Eastern Europe and Asia now under Communist control shall be a subject for discussion at such conference between the heads of state."

COMMITTEE ACTION

Senate Resolution 116 was introduced by Senator McCarthy on June 20, 1955. At the request of the majority and minority leaders of the Senate, the committee undertook to consider the resolution without delay.

Accordingly, on June 21, 1955, the committee held a public hearing on the resolution at which Senator McCarthy urged its favorable consideration and Hon. Herbert Hoover, Jr., Acting Secretary of State, expressed the administration's opposition. The prepared statement of Acting Secretary of State Hoover is appended to the report for the information of the Senate. The committee subsequently met in executive session and the resolution was discussed at length.

It was moved that the resolution be reported to the Senate and that the Committee on Foreign Relations recommend that it not be agreed to. A substitute motion was offered to table Senate Resolution 116 in the committee. The motion to table was defeated by a vote of 8 to 7. Thereupon the committee voted to report the resolution to the Senate and recommend that it not be agreed to.

REASONS FOR COMMITTEE RECOMMENDATION

During committee consideration of the pending resolution, the following principal reasons were offered against its adoption:

1. Approval of the resolution would imply a lack of confidence on the part of Members of the Senate in the ability of the President of the United States to carry out his constitutional role in the conduct of foreign policy and to represent our country effectively in the forthcoming top-level conference. Moreover, such an action taken now, on the eve of the conference, would raise grave doubts in the minds of the people of other countries as to the singleness of purpose with which this Nation pursues its objective of world peace.

2. The resolution would seem to be based on the assumption that the President and the Secretary of State are less mindful of the interests of the unfortunate people behind the Iron Curtain than is the Senate. The committee did not believe it was necessary for the Senate to remind the President and the Secretary of State of the deep concern which Americans have felt for more than a decade at the enslavement of people in Communist-dominated lands.

3. The committee believed it would be unwise to require agreement with the Soviet Union upon a specific agenda item as a condition precedent to United States participation in the forthcoming Big Four Conference. Assurances were received from the Acting Secretary of State, Herbert Hoover, Jr., in his testimony before the committee, to the effect that "in the preliminary conversations that have already taken place regarding arrangements for the Conference, it has been agreed that each of the participants would be free to take up any subject which it believed to be a contributory cause of world tensions."

Members of the committee agreed, therefore, that the pending resolution would be meaningless if not actually harmful. Its adoption would tend to give priority to discussion of one subject and by implication subordinate the discussion of other highly important matters such as disarmament and the future of Germany.

4. Under these circumstances, it was pointed out that in all probability the status of the people behind the Iron Curtain is a problem which will be considered at the forthcoming conference. It would be quite another matter, however, for the United States to insist in advance that this question should be the subject of discussion in any formal sense. In fact, there is a possibility that insistence on inclusion of this specific item might result in cancellation of the conference even before it becomes possible to explore Soviet intentions with respect to world peace.

5. Past experience in negotiating with the Soviet Union has indicated that considerable difficulty often arises in connection with determining items to be placed on the agenda. The committee believed there is a very real danger that the Soviet Union might seek some method of delaying or avoiding the meeting of the scheduled conference and blaming the United States for the breakdown of negotiations even prior to the agenda-fixing stage. Adoption of this resolution might provide such an excuse.

6. The committee believed it would be a serious mistake to require the President to attend a conference with his flexibility of negotiation restricted by the provisions of the pending resolution. The committee knows that the representative of the Soviet Union will not operate under a similar restriction and does not want the President of the United States to be unduly handicapped in these discussions.

7. Approval of this resolution could have the effect, in the event the conditions set forth are not agreed to by the Soviet Union, of preventing the United States from participating in the forthcoming conference. Furthermore, if the conference were canceled for this reason, world public opinion might be inclined to blame the United States for blocking progress in the direction of world peace.

8. While passage of this resolution might endanger the holding of the conference, failure to approve the resolution does not in any way foreclose the freedom of the President to raise such matters as he may find appropriate at the conference.

COMMITTEE CONCLUSIONS

The committee desires to have it clearly understood that its action in recommending against adoption of the pending resolution should not be construed as arising from any lack of interest in the welfare of the people of the nations now under Communist control. Indeed, the committee has on numerous occasions in past years approved resolutions enabling the Senate to go on record in support of the aspirations of these peoples for freedom and independence.

The committee hopes it will be possible for the representatives of the United States to bring the status of the people in the Soviet-dominated countries to the attention of the Conference. It is convinced that their status is one which is of the utmost concern to the President of the United States and to the Secretary of State as it is to the Members of the Senate. It may well be one of the subjects which would undoubtedly lead to a reduction of international tensions in the event of successful negotiations.

It is the purpose of the forthcoming Big Four meeting to delineate the areas of tension in the world. It cannot be expected that the conference will itself lead to immediate settlement of the vast range of areas of disagreement between the free world and the Communist world. Indeed, it may be years before some of the matters discussed at that meeting will be finally settled. Nevertheless, a start must be made In the opinion of the committee it would be a tragic mistake if precipitate action taken by the Senate now were to endanger in any way the possible success of this effort which may lead to a new era in international relations.

Any attempt by the Senate at this time to set forth specific matters to be discussed at the conference would unduly hamper and restrict the President in his negotiations. He must be as free as the other representatives at the conference to raise any questions which may possible be productive of a peaceful future in which the area of freedom in the world may be expanded.

The Committee on Foreign Relations takes this occasion to express its complete confidence in the President of the United States and in the Secretary of State. It has no doubt of their capacity and their ability to express effectively the views of the American people and to negotiate successfully with the representatives of the other powers which will meet in Geneva on next July 18.

For the reasons outlined above, the committee believes it would be in the national interest for the Senate to reject the pending resolution.

APPENDIX

STATEMENT OF ACTING SECRETARY OF STATE HERBERT HOOVER, JR., BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE CONCERNING SENATE RESOLUTION 116, JUNE 21, 1955

I refer to the request of the Foreign Relations Committee for the comments of the Department of State on Senate Resolution 116, which expresses the sense of the Senate that prior to any conference between the heads of government of the United States, the United Kingdom, France, and the Soviet Union, the Secretary of State secure the agreement of the representatives of the other three nations that the present and future status of the nations of Eastern Europe and Asia now under Communist control shall be a subject for discussion at such a conference between the heads of government.

The position of the United States on this subject is well known. The Congress, the President, and the Secretary of State have many times clearly and forcefully expressed the hope that all people, everywhere, may exercise their inalienable rights to a government of their own choice and a life in which the dignity of man is paramount.

In his television report to the President after his return from Vienna, the Secretary of State had this to say about the pending conference: "It may at least set up new processes for a solution of some of these great problems—problems like the unification of Germany, the problem of levels of armament, the problem of atomic weapons, the problem of the satellite countries, the problems created by international communism."

In the preliminary conversations that have already taken place regarding arrangements for the conference, it has been agreed that each of the participants would be free to take up any subject which it believed to be a contributory cause of world tensions. The purpose of such an agreement was to eliminate possible arguments on the fixing of a rigid agenda. It will be remembered that, at the Palais Rose Conference in 1951, 4 months of intense discussion failed to achieve agreement upon an agenda. There have been numerous repetitions of this same situation upon other occasions. The proposed resolution calls for a prior agreement on the subjects for discussion, as a prerequisite for the holding of the conference. Under the circumstances, I do not believe that a procedure such as suggested in this resolution would be advisable.

I feel certain that the President and the Secretary of State are in complete sympathy with the ultimate humanitarian objectives of Senate Resolution 116. I believe, however, that it is desirable and necessary to rely on the judgment and ability of the President and the Secretary of State to carry on this conference pursuant to their responsibilities. To adopt this or similar resolutions could suggest, and might be misinterpreted as, establishing preconditions to these important and delicate discussions.

Mr. GREEN. Now, Mr. President, I shall be glad to yield.

Mr. McCARTHY. No; I shall take the floor on my own time.

Mr. BENNETT. Mr. President, I believe that every American from the President down, would be happy if, as a result of the Big Four conference which is scheduled to be held in Geneva on July 18, an agreement could be reached with the Soviet Union which could give added freedom or hope for freedom to the citizens of all nations now under Communist domination. I am sure that if, after the conference opens, President Eisenhower sees any hope of furthering such a cause, he will take whatever action he thinks might bring that hope nearer to reality during the conference.

At the same time, however, I cannot agree that we should bind the President in advance, to making Russian agreement to such a discussion a firm condition precedent to the discussion of any other subject, and I think that is what adoption of Senate Resolution 116 would require.

I have faith in President Eisenhower in his understanding of the problems of satellite peoples and of the enslaved people of the Soviet Union itself and to his devotion to the principles of justice and freedom. I want to do anything I can to strengthen his hand at the conference and will not do anything which by the greatest stretch of the imagination could be interpreted anywhere in the world as a limitation on his power to negotiate or as an expression of lack of faith in his intentions or his ability.

I cannot accept the premise that failure to require the President to take this action is de jure recognition of the Russian position. This premise assumes that we agree with the Russian position on every subject not specifically included in the discussions, premise which is ridiculous on its face.

Therefore, I shall vote against the resolution, not because I do not agree with its objectives, but because I cannot ask the President to carry the burden of its implications.

Mr. CAPEHART. Mr. President, I should prefer to say what I have to say when the majority leader is present, because I wish to talk of the procedure and the way this whole matter was handled, rather than about the resolution itself. He will be present in a minute. I think I shall proceed——

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

Mr. CAPEHART. Yes.

Mr. SALTONSTALL. I have a statement which will take about 2 minutes. If the Senator is willing to yield, I shall be glad to make my statement now.

Mr. CAPEHART. I shall be glad to yield that much time, provided I do not lose the floor.

Mr. McCARTHY. I suggest that we are wasting a great deal of time discussing the resolution that was acted on yesterday by the Foreign Relations Committee, in view of the fact that I now wish to amend the resolution. If the Senator from Indiana will yield to me, let me say that it seems to me that the orderly procedure——

Mr. CAPEHART. Mr. President, if I may do so without losing the floor, I yield to the junior Senator from Wisconsin, to permit him to submit the amendment.

Mr. McCARTHY. And to have it read, please.

Mr. CAPEHART. Yes; and to have it read, but without making any comment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The suggested amendment will be read.

The CHIEF CLERK. In lieu of the present language of the resolution it is proposed to insert the following:

Whereas the Under Secretary of State, Mr. Herbert Hoover, Jr., on June 21, 1955, informed the Senate Committee on Foreign Relations as follows: "I feel certain that the President and the Secretary of State are in complete sympathy with the ultimate humanitarian objective of Senate Resolution 116": Now, therefore, be it

Resolved, That the Senate is also in sympathy with the ultimate humanitarian objective of Senate Resolution 116, and the Senate hopes that the ultimate humanitarian objective of Senate Resolution 116, namely, securing the freedom of the Communist-controlled satellite nations enumerated therein, will be pursued by the President at the forthcoming Geneva meeting between the heads of state.

Mr. SALTONSTALL. Mr. President, I have read the amendment of the Senator from Wisconsin. The brief remarks I have to make at this time apply both to the amendment and to the original resolution.

The PRESIDING OFFICER. The amendment has been read, but has not yet been offered.

Mr. SALTONSTALL. I so understand, Mr. President.

Mr. President, I come from one of the older sections of our country. It is on the Atlantic seaboard. In early days the people of that section came in contact with and negotiated with the older nations of Europe. Massachusetts was one of the 13 colonies which adopted the Constitution of the United States under which we live today. But that Constitution, the Chief Executive is necessarily given the power to negotiate agreements with other nations and, wide latitude is properly left to him, subject only to ratification by the Senate of the United States treaties before they can become binding upon our country.

It is with this background that I wish to make the following brief statement, which expresses my deep convictions on this occasion:

The peoples and the governments of the world dwell today in worried uncertainty; yet at the same time they entertain and nourish every possible hope for world peace, for greater security for all, and for ever larger opportunities for every individual.

In great degree as a result of this universal anxiety, there is now scheduled for the 18th of July, next, in the city of Geneva, Switzerland, a long-discussed and currently planned meeting of the heads of state and the foreign ministers of France, the United Kingdom, the Union of Soviet Socialist Republics, and

the United States, to explore ways and means of lessening international tensions.

The announced purpose of the meeting is, not to arrive at final and irrevocable decisions, but, rather, to establish procedures for determining how existing international tensions may be relieved. It is the declared intention of the President of the United States and the Secretary of State to attend the meeting.

I should like to express to the President of the United States and to the Secretary of State my deeply sincere good wishes in this endeavor and my firm confidence that the President and the Secretary of State, serving, as they are, in the finest American tradition, will meet fully and firmly their personal and official responsibilities under our Constitution.

I wish to express equal confidence in the heartfelt determination of the President and the Secretary of State to urge the carrying forward of every possible enterprise which may lead ultimately to greater security for ourselves and for all peoples and to ever-wider opportunities for peace throughout the world.

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

The Senator from Indiana has the floor.

Mr. McCARTHY. Mr. President, will the Senator from Indiana yield to me, so that I may ask a question?

Mr. CAPEHART. Yes; if I may obtain unanimous consent to do so without losing the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCARTHY. Mr. President, I believe I am correct when I say that I understand that the senior Senator from Massachusetts [Mr. SALTONSTALL] campaigned for election to the Senate in 1952, and did so upon the Republican platform. I wish to ask whether the Senator from Massachusetts is aware of the fact that the Republican platform on which he campaigned contains the following provision:

> It will be made clear, on the highest authority of the President and the Congress, that United States policy, as one of its peaceful purposes, looks happily forward to the genuine independence of those captive peoples.
>
> We shall again make liberty into a beacon light of hope that will penetrate the dark places. That program will give the Voice of America a real function. It will mark the end of the negative, futile, and immoral policy of "containment" which abandons countless human beings to a despotism and Godless terrorism which in turn enables the rulers to forge the captives into a weapon for our destruction.

Keeping in mind that that was a part of the platform upon which the Senator from Massachusetts campaigned—namely, that the Congress would make clear its position on that subject—does not the Senator agree with me that any Republican Senator who now refuses to vote for a resolution saying we will make that clear, is doing a disservice to his party?

The Democratic Senators can vote against the resolution because they had no such campaign platform. But the Republican Senators made that campaign pledge, and it was a solemn contract with the American people; namely, that the Congress would make clear its position. Today, I am giving the Republican Senators a chance, to some extent at least, to live up to that campaign pledge.

Does not the Senator from Massachusetts agree with me that any Republican Senator who fails to live up to that campaign pledge is doing a disservice to the Republican Party?

Mr. CAPEHART. Mr. President, I request the regular order.

The PRESIDING OFFICER. The Senator from Indiana has the floor.

Mr. BARKLEY. Mr. President, will the Senator from Indiana yield to me, to permit me to propound a parliamentary inquiry?

Mr. CAPEHART. Yes.

Mr. SALTONSTALL. Mr. President, if the Senator from Indiana will permit me to do so, I shall be glad to answer the question of the Senator from Wisconsin.

Mr. CAPEHART. Mr. President, if I may do so without losing the floor, I yield 1 minute to the Senator from Massachusetts, to permit him to answer the question.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Chair wishes to inform the visitors who are in the galleries that they are here as the guests of the Senate, and must keep as quiet as possible while the proceedings are going on.

Mr. SALTONSTALL. Mr. President, I thank the Senator from Indiana for yielding to me.

My answer to the Senator from Wisconsin is that I believe I am doing my utmost to carry out the pledge of the Republican Party which he read, and on which I campaigned, when I give the President of the United States, the elected President of all the people, the widest possible latitude to negotiate in the best interests of the United States, and thus in the best interests of obtaining peace in the world, and when I vote against any resolution prior to the President's attendance at the conference. I reserve the right to vote as I see fit on any agreement which at a later time may come before the Senate. In that way, I believe I am living squarely up to the terms of the Constitution and to my oath as a United States Senator.

Mr. CAPEHART. Mr. President, the Senator from Kentucky wishes to propound a parliamentary inquiry. If I may do so without losing the floor, I yield for that purpose to the Senator from Kentucky.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BARKLEY. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. BARKLEY. The amendment to the resolution, which has just been read at the desk, was read merely for the information of the Senate, was it not? The amendment itself was not offered, was it?

The PRESIDING OFFICER. That is correct; the amendment was not offered.

Mr. BARKLEY. Mr. President, I rise to a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. BARKLEY. Inasmuch as the yeas and nays have been ordered on the question of agreeing to the resolution, is it now in order for any Senator to offer an amendment to the resolution, which including the preamble, was reported adversely? In other words, under the rules, is it in order to offer an amendment to any part of the resolution other than the text of the resolution itself, but not to the preamble, which must be agreed to after the resolution itself is adopted, if it is?

The PRESIDING OFFICER. The Chair understands that the preamble is not before the Senate, and that it cannot be acted upon by itself in any form until and unless the resolution is adopted.

Mr. BARKLEY. In other words, unless the resolving part of the document is adopted by the Senate, it will not be in order to offer an amendment to the preamble.

The PRESIDING OFFICER. The Senator is correct.

Mr. BARKLEY. Or an amendment which would include an amendment to the preamble.

The PRESIDING OFFICER. The Chair is informed that no amendment can be offered to the preamble at this stage.

Mr. BARKLEY. And none will be in order until and unless the resolution itself is adopted?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. I am not sure that I understand the Chair. Is it the position of the Chair that it is not in order to offer an amendment to the resolution at this time?

The PRESIDING OFFICER. No; but it is not in order to offer an amendment to the preamble.

Mr. McCARTHY. I think I understand. I thank the Chair.

Mr. CAPEHART. Mr. President, perhaps I am much concerned about the subject which I am about to discuss. Perhaps I am taking the question too seriously. However, I think I can say what I am about to say without fear of being misunderstood, for the reason that, prior to the time the Foreign Relations Committee, of which I am a member, voted on this question, I publicly stated, in the presence of representatives of the press and others, that I was opposed to the McCarthy resolution and would vote against it. I gave my reasons, in questioning the able junior Senator from Wisconsin. Therefore, no one can mistake my position. I voted against the resolution in the committee. I shall vote against it on the floor, because I do not believe it to be necessary.

However, that is not the purpose of my rising to speak at this time. I want

the record to show that I think the Foreign Relations Committee made a grave mistake yesterday. I think perhaps we have established a precedent which will return to haunt us. I want the RECORD to show that yesterday the Foreign Relations Committee, with every member being opposed to the resolution, and so stating, there being no question in the mind of any member of the committee as to where he stood, voted to report the resolution to the Senate adversely.

If we are to establish such a precedent, and if we are to permit a Senator to rise on the floor any time he cares to do so, and say, "I wish to introduce a bill," or "I wish to submit a resolution out of order," and demand that it be handled immediately and it is referred to a committee, and, even though the committee is unanimously opposed to it, insist that it come to the floor of the Senate for a vote, we shall get into a great deal of trouble, in my opinion.

I have been a Member of the United States Senate for 11 years. If my observation and memory serve me correctly, the only time in my experience in the Senate that a bill reported adversely, was when Senators were in doubt; when there was a division among members of a committee as to whether or not a certain measure should be reported, meaning that they could not make up their own minds as to whether they should vote for it or against it. But when the action of the committee is unanimous, as the action in the Committee on Foreign Relations yesterday was, the situation is a little different. A motion was made in committee to table the resolution. The vote was 8 to 7 against tabling; and it was demanded that the resolution be reported to the Senate adversely and be acted upon by the Senate. I say that we established a precedent yesterday which will return to haunt us.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. BARKLEY. Let me say that I disagree with the Senator in his statement that the committee established a precedent by refusing to table a resolution, and by reporting it adversely. On numerous occasions in the past, committees of the Senate have reported adversely on bills, resolutions, nominations, and other matters submitted to them. But does not the Senator believe that, under the circumstances surrounding the submission of this resolution, and in view of the problems with which it deals, if the Committee on Foreign Relations had bottled up the resolution in the committee by adopting a motion to table, the charge would already have been made—and the committee would be on the defensive—that it had been unwilling to allow the Senate itself to vote on the resolution, and had bottled it up in committee by a motion to table?

Mr. CAPEHART. The same argument could be made with respect to every piece of legislation which is handled by a committee of the Senate.

Mr. BARKLEY. Not every bill which is introduced, or every resolution which is submitted to a committee, is submitted under the circumstances surrounding this resolution.

Mr. CAPEHART. We have established a precedent for each of the 96 Senators to do the same thing the junior Senator from Wisconsin did; namely, to rise on the floor of the Senate and say, "I want this measure handled immediately." Let me ask this question: Why was the resolution referred to the Foreign Relations Committee if it was intended to have the Senate vote upon it?

Mr. BARKLEY. All the committees are servants of the Senate. They are not masters of the Senate. They are agencies for the consideration of legislation. The resolution was referred to the committee, of course, for the purpose of allowing the committee to consider it and determine what to do with it. Theoretically, the Senate has a right to pass upon proposed legislation submitted to committees, whether they report favorably or adversely. As a matter of custom, the Senate usually follows the recommendations of its committees. However, frequently a committee takes no action on a bill, or votes not to report it in an affirmative way; or it may vote to table it. But theoretically, the object of getting a bill or resolution before a committee is to have the committee consider it and report back to the Senate one way or another, as to whether or not it should be enacted in the case of a bill, or adopted in the case of a resolution.

Mr. CAPEHART. There is no question that committees have the right to do so. But in this instance the action was unanimous. If the committee had voted unanimously to table the resolution, that would have meant that it did not even consider the resolution of sufficient importance to bring it to the floor of the Senate.

The only point I am trying to make is that what the junior Senator from Wisconsin did, 95 other Senators can do. If I rise in my place in the Senate tomorrow to introduce a bill or submit a resolution, and ask that I be permitted to do so out of order, will the able majority leader show me the same consideration in seeing that the proposed legislation is referred to a committee, and that the committee, even though it unanimously votes against the bill or resolution, reports it to the Senate? Will the majority leader show me the same courtesy in seeing that my piece of proposed legislation comes back to the floor of the Senate?

Mr. BARKLEY. I cannot speak for the majority leader, but I suggest that if a resolution submitted under the same circumstances were regarded as of the same importance as the resolution which we are considering, I am quite certain the same procedure would be followed.

Mr. CAPEHART. The Senator assumes that it would be regarded as of the same importance as the pending resolution. So far as I am concerned, there is no importance to the resolution, because every member of the committee voted against it. That should have ended the matter.

Mr. BARKLEY. It could not, because the Senator from Wisconsin could have risen in his place today and moved to discharge the committee.

Mr. CAPEHART. Of course he could have done so. That course can be followed with respect to any piece of proposed legislation which a committee considers, and which it decides not to report to the Senate.

Mr. BARKLEY. Tabling the resolution in the committee could not have settled the question at all, and it could not have deprived any Senator of the right to seek the opportunity to vote his own sentiments on it. If the committee were unanimously against it, theoretically it might be true that the Senate would be unanimously against it, though I doubt it. But every Senator has the same right to seek an opportunity to vote his own sentiments on any question.

Mr. CAPEHART. Mr. President, do Senators wish to break the precedents relating to committees? Perhaps I am taking this matter too seriously. Perhaps I ought not to be calling it to the attention of the Senate. However, I say to Senators that we are breaking down the committee system of the Senate. Why do Senators want to do that?

The members of the Committee on Foreign Relations knew yesterday that if they reported the resolution adversely probably no Senators, or, at any rate, very few would be in favor of it. Of course, I do not know how many Senators will vote against it. However, the resolution did not even warrant being referred to the Committee on Foreign Relations.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. MORSE. I should like to ask a question for my own information. I understand that the position of the Senator from Indiana is that there are no precedents for the action taken in connection with this resolution.

Mr. CAPEHART. I said there was precedent, but in my experience of 11 years in the Senate when a bill or resolution is adversely reported by a committee, it means that the committee itself was unable to make up its mind whether it was right or wrong in voting for or against the measure.

Of course, it has been done in the past. However, I do not know whether it has ever been done in a case when every member of the committee was opposed to a measure, and when every member of the committee said he was opposed to it. What was the purpose of bringing the resolution before the Senate today, when not one bill or resolution out of thousands which are reported adversely by unanimous vote of a committee come before the Senate? What was the purpose? Was the purpose to have a field day?

Mr. MORSE. Mr. President, will the Senator yield for a further question?

Mr. CAPEHART. I yield.

Mr. MORSE. I first wish to find out what the Senator's position is with regard to the precedents. As I understand, there are dozens of precedents.

Mr. CAPEHART. I would say that in more than 160 years there probably are some, but very few.

Mr. MORSE. I do not believe we are breaking down the committee system, as the Senator has stated. The Senator

cannot have it both ways. Either there are precedents or there are no precedents. I checked on the subject with the Parliamentarian, and I understand that there are dozens of precedents of committees having reported measures adversely to the Senate.

The Senator also raised the question as to the purpose the committee had in mind yesterday in reporting the resolution to the Senate. I can tell the purpose of my vote for reporting it adversely. It was because time was of the essence. I did not think the Senate should be put in such a position that it could be charged that we were unwilling to have the resolution voted on. I believe the entire Senate has an interest in the resolution and should be given an opportunity to vote on it. The Senator and I may disagree as to the question of policy, and he is certainly entitled to his point of view, but I do not want the RECORD to show that the committee followed a course of action for which there was no precedent in the Senate.

Mr. CAPEHART. I did not say it was without precedent. I do ask why it was done. I do know that in every prior instance it was done because a committee was unable to make up its mind. In this case the vote on the resolution in committee was unanimous. There was no question about the attitudes of members of the committee. A motion was made to table, and the vote on that motion was 7 to 8. My question is, When every Member, including every Republican and every Democrat, was against the resolution, why was it reported? I say the committee established a precedent; if not a precedent, at least it established an incident or situation yesterday which will plague the Senate in the years to come.

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

Mr. CAPEHART. I yield.

Mr. MORSE. I say most respectfully that I still hope majority rule prevails in the Senate. What happened yesterday was that the majority of the committee thought the Senate ought to have an opportunity to vote on the resolution. It is as simple as that.

Mr. CAPEHART. It is not quite so simple as that, because there exists the other situation also, in that the majority leader came to the committee and talked and talked to the committee and insisted that the resolution be handled as it finally was.

Mr. BARKLEY. The appearance of the majority leader before the committee was at the invitation of the committee.

Mr. CAPEHART. I have no objection to it. However, I do want the RECORD to show that I was against the resolution yesterday, and I am still against it. I said so. There was no hesitancy on my part in saying so. I also want the RECORD to show that there was an unusual handling of this resolution. I should like to know why. Is it to put somebody on the spot? Why?

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

Mr. CAPEHART. I yield.

Mr. HOLLAND. Does not the Senator from Indiana believe there was an unusual handling of the resolution because of its unusual subject matter? It appeals to the judgment and the conscience of every Senator. It is an effort to invoke the "advise" constitutional jurisdiction of the Senate. Even though 15 Members of the Senate, as members of one of its important committees, voted unanimously, as I understand they did, against the pending resolution, is it not still an important matter to each of the other Members of the Senate to have an opportunity to express his judgment and his conscience on this matter?

Is it not likewise important to the country and to the President and to all the representatives who will represent us in the forthcoming important conference in Geneva, to know whether the Senate as a whole, and by what majority, sustains the judgment of those 15 able Members who said that, so far as they were concerned, their judgment and their conscience were against the pending resolution?

Does not the Senator from Indiana believe it is important, likewise, and a matter of individual right to each Senator, to express for himself whether in his conscience and in his judgment he approves or disapproves of the resolution?

Mr. CAPEHART. The record speaks for itself, but let me say that in the Foreign Relations Committee—and I believe the record will speak almost as strongly, when a vote is taken this afternoon—only one Senator considered this resolution of any importance whatsoever, and that was the junior Senator from Wisconsin. I believe the record of the committee shows that, and that the vote in the Senate today will show it also. My question is, Why did the members of the committee break down the custom of the Senate? Why did they insist, when the resolution was unanimously opposed by every member of the Committee on Foreign Relations, that it be brought to the floor of the Senate and debated today, as it is being debated, instead of getting rid of it in a hurry? If every member of the committee was opposed to it, why so much credence put in it? Why was it even considered?

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

Mr. CAPEHART. In my opinion, it is not worth considering. I am against it. I have confidence in the President and in Mr. Dulles. My question is, Why did the members of the committee want to have the resolution considered by the Senate?

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

Mr. CAPEHART. I yield.

Mr. BENDER. I wish to say that I rather appreciate the comments of the distinguished senior Senator from Florida [Mr. HOLLAND]. Therefore, acting in all good faith, I should like to answer the question of the Senator from Indiana in my own way. I believe there is a little bit of political needling going on here.

Mr. CAPEHART. On the part of whom?

Mr. BENDER. The Senator can use his own judgment.

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

Mr. CAPEHART. There is no question that politics was played and is being played by those who insisted on bringing the pending resolution to the floor of the Senate.

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

Mr. CAPEHART. In a moment I shall yield. I wish to repeat what I said. If any politics was being played, it was being played by those who insisted on making a field day out of something that should have been thrown into the trash can last night.

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

Mr. CAPEHART. I yield.

Mr. HOLLAND. Does not the distinguished Senator from Indiana believe that every Member of the Senate wishes to express his conscience and his judgment on this important question?

Mr. CAPEHART. Perhaps that is a fact. But there have been many times when I would have liked to express an opinion and to vote on very controversial questions, some of which were very dear to the able Senator from Florida—civil rights legislation, for instance. But I was denied the right to vote because the bill was bottled up in committee. Senators did something yesterday which some day may come home to plague them.

Mr. HOLLAND. I note that in his preliminary remarks the distinguished Senator from Wisconsin said that time is of the essence in this matter. Is there any other way, except by a resounding vote, permanently to dispose of the matter, so that it will not be left to the Senator from Wisconsin or to anyone else to make a motion to bring out this resolution from the committee, tomorrow, or next month? Is there any other way to dispose of it except by having the Senate, as a whole, vote upon it?

Mr. CAPEHART. The Senator from Florida knows that the junior Senator from Wisconsin can tack his resolution onto every bill introduced in the Senate from now until we adjourn. We simply broke down the custom of committees.

Mr. HOLLAND. Mr. President, will the Senator from Indiana yield further?

Mr. CAPEHART. I yield.

Mr. HOLLAND. If I can read the RECORD correctly, what the Senator from Wisconsin wanted was for the Senate of the United States to have a chance to vote on the question.

Mr. CAPEHART. Why give the Senator from Wisconsin everything he wants? Why pay so much attention to the Senator from Wisconsin?

Mr. HOLLAND. I am glad to see that the Senate is giving the Senator what he wants in this matter. The Senator from Wisconsin wanted it, and every Senator has the right to say "yea" or "nay" upon it. I think the committee did a very wise thing in refusing to bottle up the resolution and insisting on bringing it to the floor where we shall be able to say "yea" or "nay" and finally to dispose of it.

Mr. CAPEHART. Is the able Senator willing this afternoon, or tomorrow, to

see the same procedure followed by any other Senator on any other subject?

Mr. HOLLAND. Of course not.

Mr. CAPEHART. Then why favor the junior Senator from Wisconsin, when practically every Member of the Senate is opposed to his resolution, and each of the 15 members of the Foreign Relations Committee is opposed to it?

Mr. HOLLAND. Mr. President, this matter is not an ordinary matter; it is not a usual matter. It is not a joint resolution or a bill or proposed statute which will have to go to the President for his signature. It calls solely for an expression of the judgment of the Senate. Even if the Senator from Indiana feels that he discharged his full duty by voting as he did yesterday, I think that with his usual generosity he should realize that other Senators want to vote on it, and this is the only way to do it——

Mr. CAPEHART. Of course, many Senators on many occasions would like to have a right to vote on proposed legislation.

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

Mr. CAPEHART. I yield.

Mr. BENDER. I am sure it will be gratifying to know that all Senators may have an opportunity to express themselves on FEPC legislation.

Mr. CAPEHART. I presume that the majority party, with reference to civil rights and every other piece of legislation which may be proposed, will insist that even though a committee votes against it, it should be reported to the Senate and Senators should be given the right to vote on it.

Mr. HOLLAND. Mr. President, will the Senator from Indiana yield further?

Mr. CAPEHART. I yield.

Mr. HOLLAND. The FEPC measure has been reported and has been debated. I believe that I spent 6 hours on it on one occasion, and I am prepared to do so again. But there was no desire to bottle it up in committee, so that neither the Senator from Indiana nor I could be heard. Here is a matter having to do with an important question of national policy in foreign affairs, addressed solely to the judgment and consciences of Senators.

Mr. CAPEHART. There is no interest in this resolution, because practically every Senator will vote against it. Every member of the committee voted against it. So there is no interest in it on the part of Senators.

Mr. HOLLAND. I am glad to hear the Senator make that statement, but I think the country will be better satisfied to hear the Senators answer "yea" or "nay" when their names are called. I believe Senators wish to have their names called and to be recorded on the resolution.

Mr. CAPEHART. The point is that we established a new custom yesterday. If I rise on the floor and submit a resolution or introduce a bill and say that I wish it handled immediately—and I am just as sincere about my resolution or bill as is the junior Senator from Wisconsin—is the majority going to insist that even though every member of the committee to which it is referred votes against it, it must come to the floor so that Senators may have an opportunity to vote upon it?

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

Mr. CAPEHART. I yield.

Mr. BARKLEY. Is not the Senator from Indiana afraid that by bringing up the FEPC he is injecting politics into the debate?

Mr. CAPEHART. No. Politics has already been injected into it.

Mr. President, I shall not take any more of the time of the Senate. It may be that I am not warranted in being serious about this question. Perhaps no harm has come from it. I hope not. But I did wish to make the record. I am not criticizing any Senator. I think the able majority leader has done very well in his handling of the situation.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. CAPEHART. But I am opposed, and I think every other Senator ought to be opposed, to the Senate taking action on a proposal to which a committee is unanimously opposed, and insisting on violating the precedents and rules of the Senate. I think it was unfortunate, and I think it was unnecessary.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. JOHNSON of Texas. If the Senator will look at the calendar which is on his desk he will see that the Committee on Post Office and Civil Service adversely reported a nomination which was before that committee for consideration. That is not infrequent in connection with a nomination, or in connection with matters of high national importance on which Senators feel they should be recorded. I refer to the case of the postmaster at Edgard, La. The committee felt it was sufficiently important to have the Senate act on the nomination. The committee acted on the nomination adversely. It was passed over this morning because there may be some debate concerning it.

Mr. CAPEHART. Is it customary for the majority leader to go before a committee and ask, when he knows every member of the committee is opposed to a resolution, that it be reported to the floor of the Senate unfavorably?

Mr. JOHNSON of Texas. Mr. President, first of all, the majority leader did not go before a committee. The majority leader was called and asked if he would come to the committee, by a unanimous vote, I am told by the Senator from North Dakota [Mr. LANGER]. I want to make that perfectly clear.

In the second place, it is not customary to submit a resolution in the evening, when it involves foreign policy, and demand action by Thursday, and then have the Senate do nothing about it.

The junior Senator from Wisconsin is able, astute, and versatile enough to get a yea-and-nay vote on his amendment at any time he chooses to do so; and no one understands that better than does the Senator from Indiana. The junior Senator from Wisconsin informed me that that was exactly what he expected to do.

I asked him to wait until we could get the recommendation of our experts in that field. He agreed to do so.

The majority leader would have been in this strange position if he had followed any course save the one he followed: The junior Senator from Wisconsin might have said, "On Monday evening the majority leader agreed that the resolution would be referred to the committee. He said he had no desire to prevent any Senator from recording himself on it. But as soon as he had got the resolution in to the safe habitat of the Committee on Foreign Relations, the 'striped pants' boys from the State Department lowered the boom on it. So the resolution is exactly where all the rest of my resolutions are. Senators do not have the right to vote on it, and the country does not have the right to see where their Senators stand."

Mr. President, I have been through the kindergarten. I knew what the Senator from Wisconsin might have said the next day if I had engaged in any maneuvering or in any clever tactics to take the broom and sweep the resolution under the rug.

I wanted to protect the President of the United States more than I wanted to protect any individual Senator. So far as I am informed, there are very few individual members who are not willing, with their chins up and chests out, to march down the line and say, "This is what I believe about the resolution."

Mr. CAPEHART. I stated that publicly to the press—every member of it—at the beginning of my talk.

Mr. JOHNSON of Texas. Does the Senator from Indiana object to every other Senator having the same right?

Mr. CAPEHART. I have no objection whatsoever, except that the majority leader broke the custom.

Mr. JOHNSON of Texas. Oh, no.

Mr. CAPEHART. Why does the Senator give the able junior Senator from Wisconsin all that he asks for? Will the Senator from Texas give me the same consideration? Will he do the same for me?

Mr. JOHNSON of Texas. It depends on what the Senator asks for.

Mr. CAPEHART. Why does the majority leader pay so much attention to the junior Senator from Wisconsin?

Mr. JOHNSON of Texas. It depends on what the Senator asks. I do not recall many instances when I have not gone along with the Senator from Indiana on purely procedural matters. He is a delightful person and a very progressive Senator. I was amazed last year at the fine work done by his committee, as I told him on several occasions. He and the late Senator Maybank, of South Carolina, one of my most beloved friends, were most cooperative.

Mr. CAPEHART. Mr. President, I have the floor.

Mr. JOHNSON of Texas. They achieved great accomplishments for the country. I should be inclined to go along with the Senator if his requests were fair.

Mr. CAPEHART. I like the majority leader, and I appreciate his compliments; but let us get back to the subject.

Mr. JOHNSON of Texas. The subject was, Would the Senator from Texas do what the Senator from Indiana wanted him to do? Until the Senator from Texas is informed of the wishes of the Senator from Indiana, the Senator from Texas is unable to reply. But I simply wanted to say that I have a very high opinion of the able Senator.

Mr. CAPEHART. The able Senator from Texas knows he could not comply with the requests of 95 other Senators.

Mr. JOHNSON of Texas. That would depend upon the requests. I would try my best to do so.

Mr. CAPEHART. The majority leader knows that under the committee system, proposed legislation is referred to committees. The majority leader rightly insisted on the floor of the Senate, the night before last, that the resolution be referred to the Committee on Foreign Relations for its consideration.

Mr. JOHNSON of Texas. Does the Senator from Indiana know what the majority leader was told when he did so?

Mr. CAPEHART. Just a minute. I was not present on Monday evening, but I have read the RECORD. I think every Senator understood that if the committee voted unfavorably, that would end the matter; if the committee voted to table the resolution, that would end the matter.

Mr. JOHNSON of Texas. No; there was no statement to that effect. The Senator from Indiana has not read the RECORD carefully. When the Senator from Texas suggested that the resolution be referred to the committee, he was reminded by the distinguished author of the resolution that the Senator from Wisconsin had also had other measures referred to that committee, of which the Senator from Indiana is a member. The majority leader was reminded of the votes in that committee; and the reason the junior Senator from Wisconsin did not want his resolution to be referred to the committee was that he felt the committee would not take action.

I take a lot of criticism, but I never thought for a moment that the majority leader, who represents the Democratic Party, would be publicly criticized by Republicans for complying with a demand from the other side of the aisle for a yea-and-nay vote.

Mr. CAPEHART. There was no demand to be given a yea-and-nay vote. The majority leader insisted that the regular procedure or routine be followed, and that the resolution be referred to the committee. If it was not intended to have the Senate abide by the decision of the committee, when every member of the committee was opposed to the resolution, why was the resolution referred to the committee?

Mr. JOHNSON of Texas. Because the Senator from Texas said, then and there, that he wanted recommendations from the committee, whatever those recommendations might be.

Mr. CAPEHART. The committee made its recommendations. It said, "We are against the resolution."

Mr. JOHNSON of Texas. I express the hope that the Senate is prepared to follow those recommendations.

Mr. CAPEHART. I feel certain the Senate will. I know the senior Senator from Indiana will follow them.

Mr. JOHNSON of Texas. I cannot understand why the Senator from Indiana objects to following the recommendations of his own committee, and to permitting the entire Senate to give a great vote of confidence, not only to the Republican President and the Republican Secretary of State, but also to the Republican and Democratic members of the Committee on Foreign Relations, as well.

Mr. CAPEHART. It was the wish of the President that the resolution be tabled in committee. That fact was brought to the attention of the committee.

Mr. JOHNSON of Texas. I have had conversations with the President on an occasion or two, but I was not informed by the President that he desired to have the resolution tabled in the committee. I am glad to know that the Senator from Indiana feels that he can make that statement.

But I wish to remind the Senator, and recall to his vivid memory, a lecture which the Senator from Texas received one evening on the floor from the very able Senator from Colorado [Mr. MILLIKIN], when I asked him if the President felt the tax bill ought to pass.

In his own inimitable way, the Senator from Colorado left his desk, marched down the aisle, and said, "Thank God, I do not have to run to a telephone booth and call the White House to find out what the procedure in the Senate should be."

I simply feed those words of the Senator from Colorado back into the teeth of the Senator from Indiana. [Laughter.]

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

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. For the purpose of the record, and lest there be any misunderstanding, the minority leader reported to the committee on yesterday that he had discussed with the President the various alternatives which were under consideration by the committee. I gave the President what I felt were cogent reasons for handling the situation in a way which I though would cause the least damage to the country. I think I have already said that I happened to differ with the Senator from Indiana merely in the approach. I told both the Acting Secretary of State and the President that I intended to make a motion to table. My understanding was that it was their judgment that if it was the decision of the committee to proceed in that way, that would be entirely satisfactory to them. That is what I reported to the committee.

Mr. CAPEHART. The Senator from California so stated before the committee.

Mr. JOHNSON of Texas. I do not wish to be placed in the position of saying that the President, the Secretary of State, and the Acting Secretary of State did not make their views known on the proper method of procedure in voting in the Senate committee. I think I violate no confidence when I say that at 12:15 or 12:20 yesterday afternoon, after having attempted to reach the Acting Secretary of State for a considerable period of time on a very important matter, and after having been informed that he had an appointment that afternoon, and would be unable to appear before the committee on what I considered to be a vitally important matter, I insisted on talking to the Acting Secretary of State, and did so.

I was informed that the resolution was opposed by not only the Acting Secretary of State, but also by all the other assistant secretaries of State—Mr. Henderson, Mr. Murphy, Mr. Morton, and others.

I did not discuss with them the question of tabling the resolution, because no one had raised the question at that point. But I felt very much as the Senator from Colorado felt on another occasion.

At 12:20 p. m. yesterday I outlined my views to the President, as did the minority leader, evidently.

I said to the President, "The resolution is pending. Charges have been made that it will be buried; that it will be referred to the Committee on Foreign Relations"—of which the senior Senator from Indiana is a member—"and will stay there. I think that would be a mistake. Therefore, I have asked the minority leader to join with me, and he has joined with me, in having a very prompt hearing.

"I am going back to the Hill, and we are going to have that hearing. I hope it may be possible to get the record of the hearings and the report printed promptly, because the junior Senator from Wisconsin wants action before Thursday. I feel that I am morally bound and that the spirit of my assurance is to get that action."

That was my statement to the President. If the Senator from Indiana will cooperate we will get that action.

The President did not presume to say to me, "Senator, I think it would be a bad mistake if you moved adversely or favorably, or made a motion to table," because while the President is a man of great background and experience and long service in the Government, actually none of that experience, as far as I know, was in a legislative body, and certainly not in the Senate.

Mr. CAPEHART. The majority leader did exactly what he just stated. I think he did an excellent job in bringing the resolution to the attention of the Foreign Relations Committee. The committee held public hearings. It listened to all witnesses who cared to be heard. I remember the chairman of the committee asked in public, before the representatives of the press, "Does anybody else wish to be heard?" Then the committee went into executive session. It was the vote of every member of the committee that the resolution should be defeated.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. LANGER. I notice in the report that the distinguished Senator from Indiana himself voted to report the resolution to the Senate adversely.

Mr. CAPEHART. That is correct.

Mr. LANGER. Now he is "squawking" because the resolution is before the Senate.

Mr. CAPEHART. The able Senator knows that in the committee the minority leader made a motion to table the resolution. He knows the vote was 8 to 7 against tabling. He likewise knows the senior Senator from Indiana was opposed to the resolution, because he had said so publicly. He likewise knew no Senator would vote to report the resolution adversely unless he was against it. The Senator is simply being technical.

Mr. LANGER. The fact is that the distinguished Senator from Indiana himself voted to report the resolution to the Senate.

Mr. CAPEHART. All who were present so voted.

Mr. LANGER. Oh, no; I voted the other way. I was not there on the first vote.

Mr. CAPEHART. The Senator was not there.

Mr. LANGER. When it was all over, I voted against reporting the resolution adversely.

Mr. CAPEHART. The fact of the matter is the Senator from North Dakota was not present when the vote was taken. He did not vote one way or the other. Through the goodness of the Senator from Indiana, he was able to record his vote, because I made a motion, as the able chairman knows, that the Senator from North Dakota be permitted to record his vote at a later date. I am sure the Senator appreciates that.

Mr. MORSE. Mr. President, will the Senator yield for a question?

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

Mr. CAPEHART. I yield.

Mr. MORSE. I wish to clear up what may be a misunderstanding in my own recollection of the matter. Did I correctly understand the Senator from Indiana to say the President of the United States wanted the resolution tabled?

Mr. CAPEHART. No; I said the minority leader, who is a member of the Foreign Relations Committee, said the President would like to see the resolution tabled, or he used some such words. There is not a member of the committee who does not remember hearing that.

Mr. MORSE. I listened to the Senator from California, and I thought the language used by the Senator from California did not go nearly so far as did the language used by the Senator from Indiana. The Senator from California proceeded to report what he had said to the President of the United States, but I do not think that report is subject to the interpretation that the President of the United States wanted to have the resolution tabled or urged that that be done. I do not think the statement of the Senator from California—at least, what was said in my hearing—implied that the President of the United States rendered a judgment as to the procedure he would prefer to have the committee follow.

Mr. CAPEHART. The President of the United States is opposed to the resolution. The substance of the remarks of the able Senator from California was that the President would like to see the resolution tabled, or handled as quickly as possible, and gotten rid of. That was my position yesterday. It is my position today.

As I said a moment ago, the matter was handled properly by the majority leader. The resolution was referred to the committee. The committee held public hearings. The committee went into executive sessions. The committee was opposed to the resolution. All members were opposed to the resolution.

I have made these remarks only because I wish the RECORD to show that I do not think there should be any breakdown in our committee system, or any breakdown in the customs or the rules of the Senate, in order to take advantage of someone. That is my point.

Mr. MORSE. If the Senator from Indiana will permit me to say so, the Senator from California can speak for himself, but I do not think the Senator from California made a statement on the record which would be subject to the interpretation that the President passed judgment on the procedure which should be followed by the committee in handling the resolution.

Mr. CAPEHART. I did not intend to say he did. I cannot read the President's mind. My best judgment is that the President's thoughts were, "Get rid of it as quickly as possible." That is what we should have done yesterday afternoon.

Mr. MORSE. The Senator left me with the impression that the President expressed his judgment on the procedure which should be followed.

Mr. CAPEHART. I was referring only to what was said in the committee, which should have been reported.

Mr. HICKENLOOPER. Mr. President, I wish to take a few minutes on the resolution in order to express my views concerning it. As a member of the Foreign Relations Committee, I participated in the meeting of yesterday and voted to table the resolution because I thought that was, in the long run, the most effective and the least harmful method which presented itself to us of handling it.

I stated in committee that I was opposed to the resolution because I thought it was not timely, because, as I said, coming at this late date, on the eve of the exploratory conference at San Francisco, the resolution could do nothing but harm if it were adopted.

After the motion to table was rejected by a vote of 8 to 7 the vote came on reporting the resolution to the Senate adversely. I had no other course than to vote to report the resolution adversely, because that is the way I felt about the resolution, having been on the side that was defeated on the motion to table it.

Mr. McCARTHY. Mr. President, will the Senator yield for a question?

Mr. HICKENLOOPER. I yield for a question.

Mr. McCARTHY. I gather that the Senator felt yesterday that the resolution as worded would tie the President's hands too much. I have an amendment which I think meets the objections which the Senator had in mind. I wonder if he is aware of the terms of the amendment I have offered.

Mr. HICKENLOOPER. A copy of it has just been handed to me. I have not read it. I have not had a chance to study it. I shall look at it.

Mr. McCARTHY. I may say to the Senator that, to my mind, this is one of the most important actions this body will take for a long time. I know the resolution is slated for defeat because, knowing the history of the Democrat Party for the past 20 years, I know my friends on the Democrat side of the aisle will vote against anything other than appeasement and surrender. I know there will be a solid Democrat vote against the resolution.

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

Mr. McCARTHY. So I address my remarks principally to the Republicans. I should like to know if the Senator from Iowa does not feel that the resolution merely confirms what Under Secretary of State Hoover said the President favors. He said he felt the President and the Secretary of State were in complete sympathy with the ultimate objective of Senate Resolution 116. This resolution merely provides that the Senate shall express itself as being also in favor of the ultimate humanitarian objective of Senate Resolution 116.

Before the Senator answers the question, I should like to call attention to the Republican platform upon which we were elected, and which stated that the President and the Congress would make clear how the United States felt about the liberation of the countries behind the Iron Curtain. I wonder if the Senator will find in the amended resolution anything obnoxious to that provision of the Republican platform.

Mr. HICKENLOOPER. I shall discuss that in a moment. I have not had an opportunity to study the amendment to the resolution, especially the "whereases," which I wish to mention.

But, Mr. President, for fear that silence on my part might be interpreted as assent, I wish to say that I do not agree with the junior Senator from Wisconsin that, by and large, the Democratic Members of this body are in favor of appeasement in respect to communism. I do not desire to quarrel with the Senator from Wisconsin and I do not suppose he meant that what he said should be interpreted in quite the way it sounded. But I wish to say that I have the greatest confidence in and respect for my Democratic colleagues, and I would be the last to say that any Democratic Member of the Senate is an appeaser, insofar as communism is concerned. On occasion I disagree with my Democratic colleagues on matters of policy, but I believe the differences of opinion are honest ones.

Mr. McCARTHY. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. I said that over the past 20 years the Democratic Party has been a party of appeasement; and I think the Democratic Senators will go straight

down the line, again, in opposing adoption of the resolution. That is a prediction which will be proven either true or false before the afternoon is over.

Mr. HICKENLOOPER. Mr. President, I do not intend to become involved in a discussion of political philosophy this afternoon. I believe the Democratic Members of the Senate are perfectly capable of presenting their own views, so I shall neither attack nor defend their position, because of their own well-known ability to speak for themselves.

Mr. President, if I have to vote on the resolution, I expect to vote against it; but I do not wish to be accused of being an appeaser of communism; I do not wish to be understood as taking any such position.

Mr. McCARTHY. Mr. President, will the Senator from Iowa yield further to me?

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. I was a little surprised at what the Senator from Iowa said. First, he said he had not read the amended resolution. Now he says he will vote against it. How can the Senator from Iowa decide that he will vote against it before he reads it? Will he please read it before he announces his position?

Mr. HICKENLOOPER. Mr. President, I shall conduct my affairs in my own way, let me say for the information of the junior Senator from Wisconsin. I shall read the amendment in my own time; and I shall make up my own mind after I have read the amendment and after I know what is before the Senate.

I am speaking of the resolution which was submitted to the Senate, and was acted upon by the Senate Foreign Relations Committee; that is what I wish to discuss at the moment.

I understand that the resolution is one of emotion. By that, I mean it goes deeply into the political philosophies of the world—in particular, of the Iron Curtain countries—and of communism, and it includes our attitude toward free institutions. The resolution is an important one; but I feel that it proposes a rather unusual procedure and one which I do not believe will serve the best interests of the country.

I desire to state my reasons for making that statement. First of all, let me say that I do not believe any Member of the Senate disagrees with the objectives generally outlined in the resolution. In other words, all of us would like to see freedom obtained for the captive countries. We wish to see the present satellite countries attain the right of self-determination. We wish to see communism and the slavery it imposes eliminated from the world. We are consistent in that view, a view which I believe is unanimously entertained by the Senate. I have no idea that any Member of the Senate deviates from it or fails to endorse the ambitions of captive countries for freedom.

But, Mr. President, here is the situation in which we find ourselves: An exploratory series of conversations is either being held at the present time or will be begun tomorrow. Those exploratory conversations are for the purpose of outlining an area within which discussions can be held next month at Geneva.

I am frank to say, as I said yesterday in the Foreign Relations Committee, that if a resolution of this kind—perhaps not one in the same words, but a resolution expressing the sentiment or the sense of the Senate on this subject or on any other important subject which claims the attention of the country—had been submitted some months ago, before we were right up "against the gun," if you please, because of the imminence of a great international conference, I would have been perfectly willing at that time, before we were in a position in which we could be embarrassed, to have the Senate express its sentiments concerning political or international philosophy.

Mr. McCARTHY. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. Is not the Senator from Iowa aware of the fact that the resolution could not have been presented months ago because, to begin with, it was unthinkable that such a conference would be held. The President said it would not be. Second, after the President decided that the conference could proceed, I am sure the Senator from Iowa will agree that it was unthinkable that we would consent not to discuss the satellite nations. It was only within the last week that those in the Kremlin said they would not discuss the satellite nations—in other words, anything which might benefit the free world. Therefore, it was impossible for me to present the resolution before the last 3 or 4 days; and I presented it as quickly as possible after that announcement by the Kremlin, and after the statement by Secretary Dulles.

Mr. HICKENLOOPER. I understand the reasoning of the Senator from Wisconsin on that score. If one accepts the premises of the Senator from Wisconsin, his reasoning has considerable merit to it. I do not necessarily accept all the premises upon which he bases his reasoning.

But, Mr. President, be that as it may, the resolution has been submitted. I feel that nothing would be accomplished if it were adopted by the Senate. Worthy as the sentiment may be, I feel that the resolution would do nothing but completely hamper, and probably throw a complete roadblock in the path of, the President of the United States and the Secretary of State, insofar as the latitude and the freedom of their ability to negotiate and discuss at the meeting or meetings are concerned.

Furthermore, we have the assurance of the Secretary of State that we can discuss, and that we are not precluded from discussing, and that we have the right to discuss, the matter of the Iron Curtain countries and their satellites and their freedom.

Mr. McCARTHY. Mr. President, will the Senator from Iowa yield again to me?

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. Is the Senator from Iowa now discussing the resolution which he considered in the committee yesterday, or is he now discussing the amended resolution?

Mr. HICKENLOOPER. I am discussing the inadvisability of adopting at this time a resolution which would tend to circumscribe a great area of the negotiating opportunities or privileges or competence, for instance, of the President and the Secretary of State. In a moment I shall discuss the details, and then I shall be willing to try to discuss the amendment the Senator from Wisconsin proposes to offer.

Mr. McCARTHY. Let me suggest to the Senator from Iowa that the Under Secretary of State said the President was "in complete sympathy with the ultimate humanitarian objective of Senate Resolution 116."

I merely wish the Senate to go on record now as also being in sympathy with the objective of freeing the satellite nations, and to have the Senate go on record as agreeing with the President.

In what way shall we circumscribe the President's activities or tie his hands, if we go on record by adopting the resolution at this time, and if we thus show how the Senate feels in regard to this all-important subject?

If the Senate goes on record now as not being in sympathy with the objective of Senate Resolution 116, the Senate will be telling the satellite nations that it does not favor their ultimate freedom.

Will the Senator from Iowa please confine himself to the measure which will be before the Senate, namely, not the resolution which was before the Foreign Relations Committee on yesterday, but the amendment? I changed the resolution in order to try to meet the objections of the Senator from Iowa, the Senator from California, and other Senators. So we shall be wasting our time if we discuss the resolution which was considered yesterday by the committee because that measure will not be before the Senate for vote today.

Mr. HICKENLOOPER. Mr. President, at this time my objections go to the mechanical principle involved at this moment rather than to verbiage.

On yesterday I voted and did whatever else I could in the Foreign Relations Committee to try to get the committee—which was unanimously opposed to adoption of the resolution, at least at this time—to end the controversy right there and to table the resolution.

That would have been effective action and it would have been decisive. The unanimous vote of the Foreign Relations Committee to table the resolution in the committee would have been committee action in its ordinary and customary province and it would have ended the controversy.

I had certain reasons for my position. One might well ask, if I am opposed to the resolution, why I do not wish to vote "nay" on the resolution if it comes to a vote. I shall vote "nay" if I must vote on the resolution, but I would rather not. I think it would be ill-advised to bring it to a vote. I shall state my reasons.

I refer, first, to the "whereas" clauses of the resolution. I realize that there has been a modification and that the "whereas" clauses have been deleted, but I am giving my reasons for my vote of

yesterday. The first "whereas" clause reads as follows:

Whereas under the Constitution of the United States, the Congress and more particularly the Senate, has concurrent responsibility with the executive branch for the formulation of the international policies of the United States.

I do not agree with that "whereas" in full. I think we have responsibilities in the Senate in connection with many phases of foreign policy, but I could not support that "whereas" clause as thus stated.

The second "whereas" clause contained in the resolution of yesterday reads as follows:

Whereas the safety, peace, and independence of the United States are seriously threatened by the aggressive world Communist movement under the leadership of the Soviet Union.

I agree with that; but let me suggest that an overwhelming "nay" vote on this resolution by the Senate of the United States, with those words in the resolution, would put a propaganda weapon in the hands of every Communist country in the world. They would say, "Look at the great Senate of the United States. It votes 'nay' and denies that the safety, peace, and independence of the United States are seriously threatened by the aggressive world Communist movement under the leadership of the Soviet Union."

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

Mr. HICKENLOOPER. I yield.

Mr. THYE. The statement of the distinguished Senator from Iowa answers the question as to the dangers with which we are faced propagandawise. The Russians could make use of this resolution in trying to prove that we are not honest, and that we are not endeavoring to reestablish the sovereignty of the satellite nations. The Senator is touching upon the question in a most important manner. I see all the dangers involved, and I am most unhappy that such a resolution is before the Senate.

Mr. HICKENLOOPER. I thank the Senator. I raised that very question yesterday in the Foreign Relations Committee with regard to these provisions. I expect to place my reasons in the RECORD, to explain my position today.

The third "whereas" clause reads as follows:

Whereas the United States is pledged to seek the freedom of the millions of people who have already been enslaved by the world Communist movement.

That "whereas" clause was in the resolution yesterday. A "nay" vote on the resolution on the floor of the Senate would place a propaganda weapon in the hands of every Communist nation and satellite. They would say, "The Senate of the United States voted 'nay' on the statement, 'Whereas the United States is pledged to seek the freedom of the millions of people who have already been enslaved by the world Communist movement'."

The fourth "whereas" clause reads as follows:

Whereas the safety, peace, and independence of the United States can never be permanently secured, nor the goal of the United States to obtain the freedom of oppressed peoples realized, so long as certain areas of the world remain under Communist control; namely, Estonia, Latvia, Lithuania, Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, Albania, Eastern Germany, Northern Korea, Northern Indochina, China, and the Soviet Union.

That is an affirmative declaration that the safety and peace of the world cannot be assured so long as certain areas of the world remain under Communist control. That declaration would be negated by a vote of "nay" in the Senate. If the great Senate of the United States votes "nay" overwhelmingly on that declaration, what a propaganda weapon will be placed in the hands of the most astute propaganda users the world has ever seen.

Mr. McCARTHY. Mr. President, will the Senator yield to me?

Mr. HICKENLOOPER. Let me conclude with the "whereas" clauses.

Mr. McCARTHY. I have a point to make in that connection. I think the Senator from Iowa has made a very good point. He makes the point very well, and I agree with everything he has said about the propaganda weapon which would be placed in the hands of Communists if the Senate should vote "nay" on this resolution. I know what will happen today. I know that there will be a "nay" vote. I know that there will be a solid Democrat vote. I know that, following the leadership of the minority leader, the administration supporters will vote "nay." Therefore we shall be giving the Communists a great propaganda weapon. We shall be discouraging the peoples of the satellite countries. They will think we have abandoned them because of the vote in the Senate. For that reason, I ask unanimous consent to withdraw the resolution.

Mr. HICKENLOOPER. Mr. President, I did not yield for that purpose.

The PRESIDING OFFICER. Is there objection?

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. HICKENLOOPER. Mr. President, I have the floor. I did not yield.

Mr. KNOWLAND. I withdraw the suggestion.

Mr. McCARTHY. I thought the Senator from Iowa had yielded.

Mr. HICKENLOOPER. I yielded for a question. I did not yield for the transaction of business.

Mr. McCARTHY. Will the Senator from Iowa yield so that I may make a unanimous consent request?

The PRESIDING OFFICER. The Chair rules that, inasmuch as the Senator from Iowa did not yield for the purpose of permitting the Senator from Wisconsin to make a unanimous-consent request, such unanimous-consent request is out of order.

Mr. McCARTHY. Mr. President, will the Senator yield for that purpose?

Mr. HICKENLOOPER. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HICKENLOOPER. With all due respect, I should be glad to yield, except that I wish, in another 7 or 10 minutes, to make my position clear as to what I think the action of the Senate should be. I shall then yield the floor, or yield to the Senator from Wisconsin for the purpose for which he asks me to yield.

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

Mr. HICKENLOOPER. I yield for a question.

Mr. McCARTHY. I wholeheartedly agree with what the Senator says. If we vote "nay" we shall be giving the Communists a powerful propaganda weapon. There is no reason why we should vote "nay." We should have "guts" enough to stand up and vote "yea." But I know what is going on today. I know that there will be a solid vote on the other side of the aisle. The administration supporters on this side of the aisle will vote "nay." There is no question about that. Such a vote could be disastrous to the morale of the underground in the occupied countries. That is the reason why I asked the Senator from Iowa to yield to me for the purpose of permitting me to withdraw the resolution.

Mr. HICKENLOOPER. I desire to round out my statement for the RECORD.

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

Mr. HICKENLOOPER. I yield for a question.

Mr. THYE. I wish to make it crystal clear that I am not motivated to follow either the minority leader or the administration. My mind was made up on this question when the resolution was first submitted. I determined to vote "nay." I would have voted "nay" that night. I would vote "nay" today. My conscience dictates a vote of "nay" any time an attempt is made to tie the hands of the President and the Secretary of State.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. JOHNSON of Texas. I wish to confirm what the Senator from Minnesota said the other night when he was acting as minority leader.

I should like to observe, in passing, that if the prediction of the Senator from Wisconsin is correct, and if there is a substantially unanimous vote "nay" today, I know of no reason why a unanimous "nay" vote should be interpreted as being disastrous to the country, particularly when such unanimous vote expresses confidence in the constitutional authorities of the country.

Mr. HICKENLOOPER. I shall come to that point in just a moment.

I believe that if the resolution, even as modified by the Senator from Wisconsin earlier in the day, should come to a vote, I would be bound to vote against the resolution, as modified, or any other resolution of this kind at this stage in the negotiation proceedings. I am bound to vote "nay," because I think the resolution should not be approved.

However, the reason I think it should not be approved will never get behind the Iron Curtain. None of the explanations made on the floor of the Senate and appearing in the CONGRESSIONAL

RECORD, including high-sounding, sincere, and complimentary terms which have been used about protecting the President of the United States and upholding his hand, the expressions in condemnation of Soviet slavery, and so forth, will ever get behind the Iron Curtain—not for one second.

The only thing that will get behind the Iron Curtain is the modified resolution which now states:

Whereas the Under Secretary of State, Mr. Herbert Hoover, Jr., on June 21, 1955, informed the Senate Committee on Foreign Relations as follows: "I feel certain that the President and the Secretary of State are in complete sympathy with the ultimate humanitarian objective of Senate Resolution 116": Now, therefore, be it

Resolved, That the Senate is also in sympathy with the ultimate humanitarian objectives of Senate Resolution 116.

That will get behind the Iron Curtain. The record vote of 85 to 1 or to 2, or 85 to 0, or whatever the vote may be, will get behind the Iron Curtain, and the propaganda mills will start grinding out: "This is what the real sentiment of the Senate of the United States is."

The people behind the Iron Curtain will never hear the eloquent words of the distinguished Senator from Texas or of the distinguished Senator from California, or of the other Members of the Senate who said, "I am against this resolution because it is procedurally wrong."

That will never get behind the Iron Curtain. A vote "nay" against the verbiage of the resolution will be a propaganda weapon, as I said a moment ago, and will be used by the greatest and most skilled propagandists the world has ever known.

That is why I voted yesterday, and I urged the Committee on Foreign Relations to vote, to table the resolution, so that there would not be a negative vote on the humanitarian principles announced in the resolution. That is why I hoped the committee would table it.

That is why I hope—although I have no intention at this moment to make a motion to table the resolution—the leadership in the Senate, if we must come to a final vote on the resolution, will support a motion to table it and thus keep a vote of "nay" from being used by the propaganda agencies of the Communist powers.

I think that is fundamental. If we fail to table the resolution—if we must act on the resolution at all—and if the Senate must vote, when most of us are impelled to vote "nay" on a procedural matter, we will be doing a disservice to the whole psychology of freedom in the places in the world where today the Communist propaganda is most effective. That is about all I wanted to say. I have practically concluded my remarks.

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

Mr. HICKENLOOPER. I shall yield in a moment. After we were defeated in the Foreign Relations Committee yesterday on a motion to solve the problem by settling it in committee—and I am not impressed by the argument that if we vote "nay" it will end the matter—someone pointed out that the Senator from Wisconsin could attach the resolution to every piece of legislation that comes before the Senate from now until adjournment day.

If we had voted to table the resolution in committee yesterday, and if thereafter a Senator had made a motion to discharge the Committee on Foreign Relations and to bring the resolution to the floor of the Senate, the matter could have been handled without debate by a motion being made on the floor of the Senate to table the motion to discharge the Committee, and the issue could have been met in that way.

However, the point I tried to get across yesterday, as did some other Senators, was that if we tabled the resolution in the Committee on Foreign Relations, we would not be committing the Senate to a misunderstood vote. I feel very deeply about it.

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

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. I will say that it will not be a misunderstood vote. On the contrary, it will be understood. The resolution is very clear. I quote it:

Whereas the Under Secretary of State, Mr. Herbert Hoover, Jr., on June 21, 1955, informed the Senate Committee on Foreign Relations as follows: "I feel certain that the President and the Secretary of State are in complete sympathy with the ultimate humanitarian objective of Senate Resolution 116": Now, therefore, be it

Resolved, That the Senate is also in sympathy with the ultimate humanitarian objective of Senate Resolution 116.

The Senator from Iowa says he will vote "no" because of the procedure involved. I wonder what procedure he has in mind. When he ran for reelection he ran on the platform which had as one of its planks:

It will be made clear, on the highest authority of the President and the Congress, that United States policy, as one of its peaceful purposes, looks happily forward to the genuine independence of those captive peoples.

The Senator from Iowa ran on that platform. He has not repudiated it. Now he says he objects to the procedure. The procedure here is in complete line with all the rules of the Senate. The resolution was submitted. It was referred to the committee. It was adversely reported by the committee. I have modified the resolution to try to meet the objections of the committee. I wonder what the Senator from Iowa has in mind when he says he will vote "nay" because of procedure.

Mr. HICKENLOOPER. We have had every assurance as to how the President feels and as to how the Secretary of State feels. We know in general what their attitudes are. They feel just as keenly on this matter as does the Senate. I said at the outset—I do not know whether the Senator from Wisconsin was present at the time—that I thought it was largely the untimeliness of the resolution which caused concern. I said if prior to the calling of the conference the issue had been discussed and the Senate had desired to express itself as to its attitude, it would have been proper. We have voted before on resolutions expressing the sense of the Senate in advance of some happening in the future involving questions of policy. There is ample precedent for it. We have a right to do it. I do not deny that we have the right to do it. But at this moment, I feel we are right in the middle of the stream, so to speak. The program has already been launched. The negotiations are underway. People from all over the world are in San Francisco in connection with this program. I feel that any attempted direction at this time by the Senate would be a disservice in that it would hamper the negotiating ability and limit the latitude of the President and the Secretary of State.

I am about to keep my word to the Senator from Wisconsin. I said a moment ago that I had hoped this resolution would be tabled in the Committee on Foreign Relations. If it proceeds to a vote in the Senate, I hope very earnestly that the leadership will agree that the proper procedure—and it would be a procedure under which every Member of the Senate could express himself, and by a record vote, too—will be to take the route of tabling this measure. Every Member of the Senate could vote on it and he could express himself. His vote would not be misunderstood as a vote against the principles for which we generally stand and of which we approve. That is the procedure I had hoped we would take, and I still hope we will take it. It is one we could take in order to express ourselves on the procedural aspect, and it would not give to the Kremlin propaganda documents to be waved throughout the satellite countries.

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

Mr. HICKENLOOPER. In a moment I shall be glad to yield. I said to the Senator from Wisconsin a moment ago that when I finished my feeble attempt to explain my position I would then be glad to yield to him for the purpose of having him ask unanimous consent to withdraw his resolution, as he mentioned a moment ago he desires to do, if he still desires to do so.

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

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. I shall ask the Senator from Iowa to yield for that purpose in a moment. First I should like to ask the Senator a question. He said the resolution expresses sentiments which most of the Members of the Senate approve. I should like to know what there is in the resolution to which the Senator objects. What part of the resolution is objectionable?

Mr. HICKENLOOPER. It is the procedure.

Mr. McCARTHY. In the resolution we would say that we are in sympathy with freeing the satellite nations. If we are not in sympathy with that, we should vote "nay." If we are in sympathy with freeing them, we should vote "yea." We are in no way tying the President's hands. We are merely telling him how the Senate feels. Under Secretary of State Herbert Hoover, Jr., said that the President was in sympathy with the humanitarian objective of Senate Resolution 116. Why is this resolution so objectionable to the Senator from Iowa? The Senator says

it was untimely. I say to the Senator that I could not have submitted the resolution before the Big Four Conference was decided on, and it would not have been timely to have submitted it until after the Secretary of State, Mr. Dulles, had made his statement about the satellite countries and the Kremlin leaders had made their reply.

What the resolution seeks to do is what the Republicans in their platform said they would do. We made a solemn contract with the American people. We said we would make it clear how Congress felt—not how the President felt, but how Congress felt—about these international problems. What is there in this resolution that is objectionable? What is there in it against which the Senator feels he must vote?

Mr. HICKENLOOPER. We would be injecting ourselves into one phase of the negotiations, when we have the positive assurance of the State Department that these very matters can be and, no doubt, will be taken up in the discussion.

Mr. McCARTHY. What will a "nay" vote do to the satellite nations?

Mr. HICKENLOOPER. It will give them a propaganda weapon which I should not like to see them have. If I have the floor, and the Senator from Wisconsin asks unanimous consent to withdraw his resolution, I anticipate there is a fair chance his unanimous-consent request will be granted and there will be no vote on the resolution. I hope there will be no vote on it.

I think the question has been sufficiently aired. The sentiments of Senators on both sides of the aisle have been adequately expressed. I think the intense interest in this subject will be very well impressed upon the Secretary of State, if it has not been already impressed upon him by his own experience, as I have no doubt it has been. The Senator from Wisconsin may have done a service to the country by bringing it to the attention of the country. If we have to vote, I would rather vote on the question of tabling the resolution. But I earnestly hope the Senator from Wisconsin may see fit to withdraw the resolution.

Mr. McCARTHY. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. McCARTHY. Mr. President, I have been impressed by some of the remarks made by the Senator from Iowa, namely, his argument that a "nay" vote will supply a great propaganda weapon to the Communists. It will also dampen the spirit of the underground in the satellite nations.

I know there will be a "nay" vote, because I know the Democrats will vote as a party en bloc in line with 20 years of past history. I know that under the leadership of the Senator from California [Mr. KNOWLAND] a great many Republicans will vote against the resolution—but without any reason for so voting, as all of them agree that the resolution expresses the sentiments of the Senate. Yet, for some unknown reason, they will vote against it. We will be saying that the United States Senate does not have any sympathy for the underground in the satellite nations, and does not feel those nations should be free.

For that reason, Mr. President, I ask unanimous consent to withdraw the resolution.

Mr. FULBRIGHT. Mr. President, I object.

Mr. McCARTHY. Mr. President, in my book——

Mr. HICKENLOOPER. Mr. President, I think I still have the floor.

The PRESIDING OFFICER. The Chair understood the Senator from Iowa had yielded the floor.

Mr. HICKENLOOPER. I have a little more to say.

The PRESIDING OFFICER. The Senator from Wisconsin now has the floor.

Mr. McCARTHY. Mr. President, I will yield for whatever remarks the Senator from Iowa wishes to make.

Mr. HICKENLOOPER. No. I thank the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, the Senator from Arkansas has rendered a very valuable service to the Communist Party. He knows that the Democrats are going to vote en bloc against the resolution. He knows there will be sufficient Republican votes to defeat it. He knows what a propaganda weapon it will give the Communists. The Senator from Iowa has explained this adequately. He knows what damage will be done to enslaved peoples. The Senator from Arkansas knows I have made the request to withdraw the resolution in order to avoid the propaganda damage. Nevertheless, for political reasons, he rises and objects. He has rendered a real service to the Communist Party today, and a real disservice to the people of the satellite nations.

He sits there and laughs, Mr. President. It is no laughing matter. He can grin and smirk, but the enslaved peoples will not grin and smirk about it when they are advised of what the Senator has done. I repeat, he has done a great service to the Communist cause.

Mr. President, in my book, a campaign promise is a solemn contract with the American people. I am not addressing myself now to the Democrat Members of this body, because they made no such campaign promise. In fact, the American people knew they stood for appeasement. They knew that for 20 years the Democrats whined and whimpered when they touched the red hot stove of Communist aggression. I am addressing the Republicans in this body and in the Nation. I campaigned from the Atlantic to the Pacific, from New Orleans to St. Paul, and I quoted this platform pledge. I asked Democrats throughout the Nation to vote for us, promising them that the days of appeasement were ended, that there was a new day really dawning.

Here is the part of the platform which I should like to quote for the benefit of my Republican colleagues in the Senate, especially the Republican leader [Mr. KNOWLAND]:

> It will be made clear, on the highest authority of the President and the Congress, that United States policy, as one of its peaceful purposes, looks happily forward to the genuine independence of those captive peoples.

We did not say "on the authority of the President only"; we said, "on the highest authority of the President and the Congress."

But today the Senate says, "Oh, no; we cannot do that. We would be interfering with the President if we made clear what our position is."

Let me quote further from our platform. Up until this time there has never been a resolution before the Senate through which we could show we were living up to that platform pledge. Today we have the opportunity, but we are turning it down.

I read further:

> We shall again make liberty into a beacon light of hope that will penetrate the dark places. That program will give the Voice of America a real function. It will mark the end of the negative, futile, and immoral policy of "containment" which abandons countless human beings to a despotism and godless terrorism which in turn enables the rulers to forge the captives into a weapon for our destruction.

We placed that particular section in the platform because we felt the Democrats had been following a contrarule up to that time, and we said we would make clear how the Congress felt about it. But now I hear Senators who campaigned upon that solemn contract with the American people saying on the floor of the Senate, "We cannot tell the President how we feel; we might be interfering with the President and State Department."

Mr. President, I was shocked by one statement made by the majority leader. He said that there is only one man who can speak for the country. He is wrong. This is not a dictatorship. The Senate also speaks for this country. There are 96 Members here who can speak for this country.

I was intrigued by the speech of the Senator from California. His whole speech was to the effect that the President felt as I do. He read from the President's speeches and had excerpts from them printed in the RECORD, proving that the President felt the way I do, as expressed in this resolution.

Then, for some unknown reason—the Senator from California again forgets the campaign pledge—he says we cannot let the country, we cannot let the world, know how the Senate feels.

Mr. President, I call up my amendment and ask that it be read; and I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER (Mr. FREAR in the chair). The clerk will state the amendment offered by the junior Senator from Wisconsin.

Mr. BARKLEY. Mr. President, is the amendment being offered or merely read?

Mr. McCARTHY. It is being offered now.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out all after the resolving clause and insert in lieu thereof:

> That the Senate is also in sympathy with the ultimate humanitarian objectives of Senate Resolution 116, and the Senate hopes that the ultimate humanitarian objective of Senate Resolution 116, namely, securing the

freedom of the Communist-controlled satellites enumerated therein, will be pursued by the President at the forthcoming Geneva meeting between the heads of state.

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

Mr. McCARTHY. With the understanding that I do not lose the floor——

Mr. JOHNSON of Texas. I thought the Senator had concluded. I beg the Senator's pardon.

Mr. McCARTHY. Does the Chair rule that the amendment is in order?

Mr. KNOWLAND. Mr. President, will the Senator from Wisconsin yield, with the understanding that he will not lose the floor, for the purpose of a quorum call? I thought that inasmuch as an entirely different approach, at least, is being presented, there should be a quorum call now.

Mr. McCARTHY. I shall be glad to yield with that understanding.

Mr. KNOWLAND. In the present situation, I understand the amendment is merely pending at the desk.

The PRESIDING OFFICER. The amendment has been offered. The question is on agreeing to the amendment.

Mr. KNOWLAND. With the understanding that the junior Senator from Wisconsin will not lose his right to the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection to the understanding proposed by the Senator from California? The Chair hears none, and the clerk will call the roll.

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

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

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Washington [Mr. MAGNUSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Georgia [Mr. GEORGE] is unavoidably absent.

The Senator from Minnesota [Mr. HUMPHREY] is absent by leave of the Senate to attend the United Nations anniversary celebration in San Francisco as representative of the Senate Foreign Relations Committee.

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 Senators from Vermont [Mr. AIKEN and Mr. FLANDERS], the Senator from New Hampshire [Mr. COTTON], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

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 New Jersey [Mr. SMITH] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the junior Senator from Wisconsin.

Mr. McCARTHY. On the amendment I ask for the yeas and nays. Senators should not be worried about standing up and being counted on the amendment.

The yeas and nays were not ordered.

Mr. McCARTHY. 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. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. BARKLEY. The Senate has just finished a quorum call which developed a quorum. Does the asking for and the refusal of the yeas and nays constitute business?

The PRESIDING OFFICER. In the opinion of the Chair, it does. The clerk will continue to call the roll.

The legislative clerk resumed the call of the roll.

Mr. McCARTHY. 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. McCARTHY. I hope Senators will at least give me the yeas and nays on this amendment. In my book, it is extremely important, and there is no reason why any Senator should be reluctant to stand up and be counted on this amendment. It is an amendment to my resolution.

I again ask for the yeas and nays, and I sincerely hope Senators will give me enough seconds.

The yeas and nays were not ordered.

Mr. McCARTHY. Mr. President, in conclusion I may say I am not surprised at the position taken by my Democrat colleagues. I expected that from them. I did not expect it from the Republican side of the aisle, however.

I may say that the Senator from Arkansas [Mr. FULBRIGHT], after consultation with the majority leader, knew that they had a solid Democrat vote against the resolution. That is the reason he objected to the withdrawal. He knew, or should know—I assume he has enough intelligence to know what he was doing—that a vote by the Senate against the resolution, which merely says we are in favor of freeing the satellite nations—will aid the Communist cause tremendously for the reasons set forth by the Senator from Iowa. It will hurt the cause of the satellite nations, which had hoped we would stand behind them.

I feel that nothing can be gained by further discussion of the resolution.

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

Mr. McCARTHY. I yield.

Mr. CAPEHART. I should like to ask the Senator from Wisconsin some questions, and I hope he will not in any way become excited or angry about them, because, as the Senator from Wisconsin knows, on the censure resolution which was proposed against him, I was for him, because I thought it was wrong.

On this occasion the Senator has accused Republican Members of the Senate and the minority leader of failing to live up to the platform of the Republican Party. My questions is wherein have President Eisenhower, the Secretary of State, or the Republican Congress at any time failed to live up to their obligations? In what respect have they appeased or done something which would give any comfort whatsoever to the Communists? Will the Senator name some of the cases?

Mr. McCARTHY. I am glad to answer the question. The Senator is doing that.

Mr. CAPEHART. Name them.

Mr. McCARTHY. I am answering the question. The Senator is doing it today when he refuses to support a resolution that merely says we are in favor of freeing the satellite nations. The platform upon which the Senator ran says that it will be made clear on the highest authority of the President and the Congress that we seek the freedom of the captive peoples. We had a reason for putting that in our platform. It was because we felt the Democrats had not been doing it.

Mr. CAPEHART. Senator, let me talk a minute. It is the President of the United States and the Secretary of State who will attend the conference at Geneva, not the Senator or I. The Acting Secretary of State said:

> In the preliminary conversations that have already taken place regarding arrangements for the conference, it has been agreed that each of the participants would be free to take up any subject which it believed to be a contributory cause of world tensions. The purpose of such an agreement was to eliminate possible arguments on the fixing of a rigid agenda.

Will the Senator answer my question? I ask him to name instances in which Members of this body on the Republican side, the President, or the Vice President, have in any way appeased or have given any comfort whatsoever to the Communists? We are entitled to an answer to that question, because the accusations of the Senator from Wisconsin today have been general with regard to voting against the resolution. The resolution which was before the Senate today when we met was the resolution which the committee acted on last night, which was different from the one now before the Senate.

Mr. McCARTHY. But the amended resolution is now before the Senate, and the Senator is urging the Senate to vote against it.

Mr. CAPEHART. Name one instance——

Mr. McCARTHY. Will the Senator be kind enough to let me finish?

Mr. CAPEHART. Wherein the President of the United States or the Congress have given comfort to the Communists?

Mr. McCARTHY. Senator, forgetting what is being done today, the Korean surrender was appeasement. Giving up the Tachen Islands was appeasement. Giving up northern Indochina was appeasement. But a further example of appeasement is what the Senate is encouraging today. The Senate has before it a resolution which simply says that the President has said he is in sympathy with the objectives of Senate Resolution 116, namely, freeing the satellite nations and that the Senate is, too. And we say we hope the President will pursue that objective at Geneva. When the Senator urges the Senate to vote against it, he is violating the Republican campaign pledges.

Mr. CAPEHART. I thought the Under Secretary of State said the President was in sympathy with the objective of the resolution.

Mr. McCARTHY. That is correct. The Senator is urging the Senate to vote against it, when the President has said he is in sympathy with its objective.

Mr. CAPEHART. I have not talked on the subject at all. The resolution which was before the committee last night is entirely different from the one now before the Senate. Why did the Senator from Wisconsin not amend the resolution yesterday?

Mr. McCARTHY. I made the changes to try to meet the objections of Senators like the Senator from Indiana.

Mr. CAPEHART. No; the Senator did not.

Mr. McCARTHY. Do not tell me I did not. I am telling the Senator why I changed the resolution.

Mr. CAPEHART. Why did the Senator——

Mr. McCARTHY. Will the Senator listen to me and be quiet for a minute?

Mr. CAPEHART. All the Senator did was to take what Under Secretary of State Hoover said yesterday and make it a part of the resolution.

Mr. McCARTHY. Will the Senator wait while I answer his question?

Mr. CAPEHART. Yes.

Mr. McCARTHY. Please try to be quiet while I answer.

Mr. CAPEHART. I do not like to have the Senator accuse me and other Republican Senators.

Mr. McCARTHY. Will the Senator now be quiet?

Mr. CAPEHART. The Senator said he was not going to become excited.

Mr. JOHNSON of Texas. Mr. President, I ask for the regular order.

The PRESIDING OFFICER (Mr. FREAR in the chair). The regular order will be followed.

Mr. McCARTHY. The Senator asked why I changed the resolution. I changed it for this reason: Yesterday I appeared before the committee of which the Senator is a member and I heard the objections made to my resolution. It was said we were tying the President's hands.

Mr. CAPEHART. I did not say that.

Mr. McCARTHY. I meant the committee. The committee argued that my resolution would tie the President's hands before the negotiators met in Geneva. At that time I decided the resolution would have no chance of passing in the face of the objection that it would tie the President's hands. Therefore, I tried to meet the objections of the committee and I took the language of the Under Secretary of State, Herbert Hoover, Jr. I said in view of the fact that the President said he was in sympathy with the objectives of the resolution, therefore the Senate should also go on record as being in sympathy with the resolution, and express its hope that the President will pursue those objectives at Geneva. Now the Senator is saying he will vote against it.

Mr. CAPEHART. No.

Mr. McCARTHY. I thought the Senator was.

Mr. CAPEHART. I rose to ask the Senator a question. The Senator had said that Republicans, the President, and the Secretary of State were Communist appeasers.

Mr. McCARTHY. I said they were violating their campaign pledges.

Mr. CAPEHART. There are some of us who feel that our record of fighting Communists is as good as the record of any other man. There are some of us who feel the Senator from Wisconsin is not always right; that he is sometimes wrong. There are some of us who have the courage to be with the Senator from Wisconsin when we think he is right, and who will vote against him when we think he is wrong. In this instance I think the Senator from Wisconsin is wrong. Personally I have no particular knowledge of any facts which would show that the President or the Secretary of State have in any way appeased Communists. I can say that the Korean Treaty was a matter of judgment, as was the Indochina Treaty; but fortunately or unfortunately—I think fortunately—the President of the United States and the Secretary of State handle these matters with the advice and consent of the Senate. I am not here to defend or carp about anybody, but I do not like the blanket indictment the Senator has made against every Republican, and particularly the blanket indictment he has made against the minority leader. Just give us the facts.

Mr. McCARTHY. When Republican Senators vote that they are not in favor of freeing the satellite nations, that is a clear-cut violation of their campaign pledges. That is the question on which the vote will come. The Under Secretary of State said the President is in sympathy with that goal.

I have asked the Senate to go on record on this matter, so the President will know that the Senate also is in favor of freeing the satellite nations. That is all the resolution calls for; it has now been watered down much more than I should like. A vote of "nay" on the resolution will be interpreted to mean that a Senator who so votes is voting against the idea of freeing the satellite nations, and that will be notice to the Communists and to the satellite nations that Members of the United States Senate are not in favor of freeing the satellite nations. I think such a vote would be disastrous. I cannot conceive that any Republican Senator would vote "nay" on that question, although I know that many of them will. For that reason I asked to be allowed to withdraw the resolution—to prevent a propaganda disaster. The Senator from Arkansas objected.

Mr. CAPEHART. Mr. President, the junior Senator from Wisconsin is referring to the sentiments expressed for the President and for the Secretary of State by the Undersecretary of State. The President and the Secretary of State have said they are in favor of freeing the satellite nations; and they are in favor of that, and everyone knows it.

Mr. McCARTHY. Then why does not the Senator from Indiana vote for it?

Mr. CAPEHART. I have not had a chance to do so. But the Senator from Wisconsin is raising a general indictment against the minority leader and all other Republican Members of the Senate. The Senator from Wisconsin should not do so. He should not try to indict those of us who in the past have voted to uphold his hand. He should not attempt to beat out our brains. I, myself, am a fairly good fighter, and I do not like to have my brains beaten out. This may be the first time for that to happen, but I do not like to have it done.

Mr. McCARTHY. Let me say in all candor that all Republican Senators joined in the Republican Party's campaign pledge to aid the satellite nations. Any Republican Senator who votes "nay" on the question of agreeing to this resolution will be violating that campaign pledge. It is entirely possible that some Republican Senators did not agree to that part of the Republican Party's campaign platform, but I have not heard any Republican Senator say he did not agree to it. That part of the Republican Party's platform was included in it after long thought. In fact, I believe that the Senator from Indiana himself was a member of the Republican platform committee.

Mr. CAPEHART. No; I was not.

Mr. McCARTHY. I am sorry. I thought the Senator from Indiana was a member of the platform committee.

Mr. President, the campaign platform constitutes a solemn pledge. Some Republican Senators will say, today, "We do not favor freeing the satellite nations"; and that is the subject on which the vote will be taken.

Mr. CAPEHART. But I know of no action on the part of the President or the Secretary of State or the Congress which would indicate that they are not 100 percent in favor of freeing the satellite nations.

The junior Senator from Wisconsin is simply talking about words. Let us consider the record of the President and the Secretary of State, insofar as this

matter is concerned, instead of simply making a blanket indictment.

When I am told that it was agreed at San Francisco that our representatives could take up any subject they might wish to take up at the conference—which includes what the Senator from Wisconsin suggests in his resolution—then, personally, I can see no necessity for the resolution. I see no necessity for it.

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

The PRESIDING OFFICER (Mr. FREAR in the chair). The amendment will be stated.

The Chief Clerk read as follows:

Resolved, That the Senate hereby expresses its full support of any and all efforts of the President, at any meeting or conference with other nations, to state the deep interest of the American people in the present and future status of the nations of Eastern Europe and Asia now under Communist control.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. BARKLEY. Is the amendment which has just been read, offered as an amendment to the resolution which is the subject of the debate; or is the amendment offered as an amendment to the amendment of the Senator from Wisconsin to the resolution?

The PRESIDING OFFICER. The Chair understands it is an amendment in the nature of a substitute for the amendment of the Senator from Wisconsin.

Mr. JENNER. That is correct, Mr. President; it is offered as an amendment in the nature of a substitute for the amendment of the Senator from Wisconsin.

Mr. President, I do not care to speak on the amendment. If every Senator listened carefully to the reading of the amendment, I think it will be agreed to; and that will dispose of the present controversy. It will put the United States in the light in which it wishes to be put, and the hands of no representative of the United States will be tied.

My amendment to the amendment of the Senator from Wisconsin will merely affirm that our great Nation, which is the hope and light of freedom, has not lost faith in the people of the countries of Eastern Europe and Asia who are now under Communist control. I think my amendment to the amendment of the Senator from Wisconsin will clarify the matter, and will permit the sense of the Senate to be known, without hampering anyone in our Government.

Mr. MORSE. Mr. President, I have sought to be recognized ever since the junior Senator from Wisconsin attacked the junior Senator from Arkansas [Mr. FULBRIGHT]. Now that I have been recognized I rise to the defense of the Senator from Arkansas.

Mr. President, this afternoon we are writing pages of history which will be read and studied long after we become dust and ashes. I do not propose to have this RECORD closed today with the attack of the junior Senator from Wisconsin on the Senator from Arkansas [Mr. FULBRIGHT] unanswered.

I am satisfied that under the rules of the Senate, the junior Senator from Wisconsin could have been called to order for his unwarranted reflections upon the Senator from Arkansas [Mr. FULBRIGHT]. I did not call him to order, because I believe in unlimited, free debate in the Senate, subject, of course, to the reasonable limitations of the rules of decency and mutual respect which should prevail among Senators during debate. Also I had hoped that before the Senator from Wisconsin [Mr. MCCARTHY] finished his speech, he would upon reflection, withdraw his attack upon the Senator from Arkansas [Mr. FULBRIGHT].

I wish to say that I do not know of a Member of the Senate who is a more noble patriot than is the Senator from Arkansas [Mr. FULBRIGHT]; and I do not know of any Member of the Senate of the United States whose record excels that of the Senator from Arkansas, as regards opposition to communism.

I think it is most regrettable that the unfair statement that the junior Senator from Wisconsin made this afternoon about the Senator from Arkansas [Mr. FULBRIGHT] has been placed on the pages of the CONGRESSIONAL RECORD, for future generations to read.

Let us consider, for example, the record of the junior Senator from Arkansas [Mr. FULBRIGHT] in connection with the great piece of legislation which is known as the Fulbright scholarship bill. Let any Member of the Senate point to a piece of legislation which has caused a more effective series of blows to be struck against communism in the world, than those which have been struck against communism by the Fulbright scholarship bill.

Mr. President, one of the most effective ways to show up communism in the world is to export to all corners of the world the American system of freedom, as we are doing through the educational processes made possible by the Fulbright scholarships.

Mr. President, the Members of the Senate can have great differences of opinion; but certainly there is a code of personal ethics in debate which should be followed by Senators. That code of debate should be based upon the major premise that each Member of the Senate acts out of a sincerity of motivation in support of the flag which stands behind the Presiding Officer's chair. I, for one Senator, have for the last time in the Senate listened in silence to the junior Senator from Wisconsin cast reflection upon the integrity of colleagues in the Senate of the United States.

Mr. MCCARTHY. Mr. President, I ask that the Senator from Oregon be called to order.

The PRESIDING OFFICER. Under the rule, the Senator from Oregon is required to take his seat.

Mr. MORSE. Mr. President, I will not waste my time listening further to the junior Senator from Wisconsin. I wish to say that today, for the last time, have I sat in the Senate of the United States and listened in silence to the junior Senator from Wisconsin attempt to cast a reflection upon the integrity of a colleague in the Senate.

The PRESIDING OFFICER. Under the rule, the Senator from Oregon is required to take his seat.

Mr. JOHNSON of Texas. Mr. President, the Senator from Oregon has not violated any rule of the Senate. I move that the Senator from Oregon be allowed to proceed.

The PRESIDING OFFICER. Under the rule, the necessary motion is that the Senator from Oregon be allowed to proceed in order.

The question is on agreeing to the motion of the Senator from Texas.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. A quorum is present.

The question in on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] that the Senator from Oregon [Mr. MORSE] be permitted to proceed in order.

The motion was agreed to.

Mr. MORSE. Mr. President, as I said before I was interrupted by the Senator from Wisconsin, for the last time do I intend to sit in my place on the floor of the Senate in silence while the Senator from Wisconsin casts reflections upon the integrity of any of my colleagues in the Senate.

The time has come, in my judgment, in the history of this session of Congress, to make it perfectly clear to all our colleagues—each and every one of the 96 of us—that there is a code of ethics which should govern us in debate in the Senate. We can have great differences of opinion among us on the merits of issues, and at the same time conform to a code of fair debate. I think it is a pretty sad reflection on the Senate and its history to have any Member of this body impugn the patriotism and integrity of any other Member of this body.

There is no basis in fact for impugning the patriotism of the great Senator from Arkansas, BILL FULBRIGHT. I consider him not only one of the great scholars of the Senate, not only one of the great public servants of the Senate, but one of the great Americans living today.

That is my reply to the Senator from Wisconsin. When one reads the RECORD tomorrow he cannot, in fairness, reach any other conclusion than that the Senator from Wisconsin tried to brush all over the Senator from Arkansas a smear of appeasement of communism. I happen to be one Member of the Senate who resents that kind of tactic in debate in the Senate.

Now let me say something about the resolution of the Senator from Wisconsin. I believed that it ought to go to the Committee on Foreign Relations. I happened to believe that it ought to come back from the Foreign Relations Committee for action on the floor of the Senate, and that the Senator from Wisconsin was entitled to that consideration from the Foreign Relations Committee.

That is why I gave instructions, when I was obliged to leave after the first 45 minutes of the discussion yesterday afternoon, that my proxy should be voted to report the resolution unfavorably to the Senate. I thought the Senator from Wisconsin was entitled to that procedural consideration from the Foreign Relations Committee. Why? Because he represents a great sovereign State of the Union in the Senate of the United States, and the people of that State are entitled to effective representation, so long as he serves them in this body.

Procedurally the very essence of this resolution is time. We could not table the resolution in the committee without jeopardizing the time factor which confronted the Senator from Wisconsin. The Senator from Wisconsin was fighting against time, in order to have presented to the United States Senate a point of view with which I am not in agreement, so far as his resolution is concerned. I thought that, representing the people of the sovereign State of Wisconsin, he ought to have an opportunity to obtain a vote on the floor of the Senate. That is why I took the position in the Committee on Foreign Relations that his resolution should be reported unfavorably to the floor of the Senate.

Let me say a word or two further with respect to the resolution itself. I shall not talk about motivations. Who are we, as mere human beings, to pass judgment upon the motivations of any colleague? I leave the question of motivation to be settled between each colleague and his Creator. However, I think it is clear on the record that the Senator from Wisconsin has at least given the American people the impression that he has been against a conference at the summit.

I happen to be one who believes that a conference at the summit is very important, not because I think much is going to be solved by a conference at the summit, but because, as I have been heard to say on the floor of the Senate many times during the past 10 years, I think we must carry this cold war propaganda fight to the Russians at all times. I do not think we ought ever to let the Russians create the vicious, lying impression around the world that we are afraid to go into a conference with them at the summit—or, for that matter, at a lower level.

I think we must always demonstrate to the people of the world that we are a Nation of peace, and that Russia is a nation of war. We must demonstrate at all times that we are willing to sit down and listen, with our ears and eyes open, cognizant of the fact—I think it is a fact, because there has been no demonstration by Russia that it is not a fact—that there is no intention on the part of the Russians but to deceive. I believe Russia has no intention to do anything but maneuver and manipulate, in an endeavor to take behind the Iron Curtain those areas of the world not now behind the Iron Curtain. Through false propaganda Russia hopes to influence areas where there are millions of people still in doubt about the high purposes of the United States. Those millions must be won over to the side of freedom, if the heritage of freedom is to be left for future centuries of American boys and girls. We must never give the Russians a propaganda weapon to use against us. A failure to be willing to meet with them at the summit would play right into their false propaganda about us.

That is why I want a conference at the summit, so far as my major reason is concerned.

As a secondary reason, let me say that, as a Christian, I always live in hope of a lasting peace. I believe that the affairs and the fate of man are divinely guided. I am always hopeful that a Divine expression may manifest itself at some time at such a conference, and that as the result of the will of providence we may reach some accord with the Communists in the promotion of peace.

In other words, I believe that we should never give up hope and that we should never stop trying to negotiate an honorable peace with the Russians. It is our clear spiritual duty.

For those two reasons I was among the first in the Senate to publicly urge a conference at the summit, and I urge it now. For those reasons I do not believe that we ought to throw any roadblocks into the path of the President of the United States by seeking to instruct him in advance as to a precondition which he must lay down in order to negotiate at all with the Russians. Why do I say that? I say it because the resolution itself can be used by the Communists as a means of embarrassing the President of the United States.

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

Mr. MORSE. I refuse to yield at this time. Of course, the Russians, in my judgment, will not agree to any discussion of the satellite countries. If we want to break up the chances of having a conference at the summit, let us vote for the resolution of the Senator from Wisconsin. I think it would be used by the Russians as a vehicle and as an instrumentality and as a weapon to accomplish what I believe is probably their basic aim, namely, a disruption of the conference. I do not think the Russians want a conference at the summit any more than does the Senator from Wisconsin [Mr. McCARTHY]. If we handle ourselves properly in this conference—and I believe the President and the Secretary of State are aware of the dangers—we can give the Russians a terrific shellacking so far as the propaganda war is concerned. By bringing them into the conference and sitting and listening to their propaganda, and then through our good-faith proposals showing the world who is on the side of peace and freedom, I think we win increasing millions to our cause. Therefore I am against the resolution of the Senator from Wisconsin [Mr. McCARTHY] because I think its passage would help the Russians disrupt the conference at the summit.

Mr. THYE. Mr. President, the only reason I asked the Senator from Oregon to yield when I did was to commend him for pointing up the issues that are involved, and to say to him that he has stated the issues more clearly than they have been stated this afternoon. I want to say to the Senator from Oregon that he has done a very able job. That is why I wanted to interrupt him.

Mr. MORSE. The Senator from Minnesota is very kind.

Mr. LEHMAN subsequently said: Mr. President, I wish to make a few brief remarks in associating myself with the statement made earlier this afternoon by the distinguished senior Senator from Oregon [Mr. MORSE] concerning the attack made by the junior Senator from Wisconsin [Mr. McCARTHY] on our colleague, the distinguished junior Senator from Arkansas [Mr. FULBRIGHT]. What the Senator from Oregon said in that connection needed to be said. The remarks of the Senator from Oregon were fully justified. Certainly what happened here this afternoon was a most unfortunate occurrence reflecting on the dignity and the good faith of the United States Senate.

I also wish to congratulate heartily the Senator from Arkansas [Mr. FULBRIGHT] on the action he took in objecting to the attempt by the junior Senator from Wisconsin to withdraw his original resolution. If the Senator from Arkansas had not objected, I myself would have done so. I am very happy, indeed, that the Senator from Arkansas objected, and that later he also objected to the proposal to withdraw the preamble of the resolution of the junior Senator from Wisconsin.

Mr. President, I wish to congratulate both the senior Senator from Oregon [Mr. MORSE] and the junior Senator from Arkansas [Mr. FULBRIGHT] on the position and the attitude they assumed this afternoon in the Senate.

Mr. FULBRIGHT. Mr. President, I desire to express my appreciation to the junior Senator from New York [Mr. LEHMAN] for his very kind words, and I also wish to express my appreciation to the senior Senator from Oregon [Mr. MORSE].

I thoroughly approve of the sentiments expressed by the Senator from Oregon regarding the procedure on the floor of the Senate. He has always contributed a great deal to orderly procedure in the Senate.

It is, of course, one of the outstanding characteristics of the junior Senator from Wisconsin [Mr. McCARTHY] that

he has a capacity to disrupt the orderly procedure of whatever body or whatever committee in which he happens to be involved. I, myself, hesitated to answer him, because I was afraid that to do so would further delay the action of the Senate in obtaining a vote on the resolution.

However, I think it is an extremely dangerous and bad practice, for one Member of the Senate to attack another. So far as I personally am concerned, I am not offended in the slightest by whatever opinion the junior Senator from Wisconsin [Mr. McCARTHY] may have of me, as a personal matter.

But I wish to say that I do very much appreciate the statements which have been made by the junior Senator from New York and the senior Senator from Oregon.

Mr. MORSE. Mr. President, I desire to thank the Senator from New York for his very courteous remarks. I can think of no higher compliment than one coming from him.

Mr. KNOWLAND. Mr. President, I respectfully suggest for the consideration of the distinguished Senator from Indiana [Mr. JENNER] that it would be more advisable—if he would be willing to do so and it met with the judgment of the Senate—to withdraw his amendment as it is presently constituted, and submit it as a new resolution and permit it to go to the Committee on Foreign Relations.

We are dealing with a very delicate matter. On the face of it there seems to be little that any Senator could object to in the amendment, but we have a complex situation today, and we are not in a position to amend the "whereas" clauses under the parliamentary situation as it presently exists.

If the Senator from Indiana on his own initiative would submit the amendment as a new resolution and have it referred to the Committee on Foreign Relations, and if the Secretary of State should complete the preliminary discussions which are now in progress in San Francisco within a day or two, we could have the Secretary of State come before the Committee on Foreign Relations to discuss the resolution with us.

I am sure no one in the Senate wishes to do any harm to our basic foreign policy. I believe we ought to make clear today that we have a deep interest in the people who find themselves enslaved behind the Iron Curtain. I have no doubt that after proper hearings and proper procedure a resolution could come from the committee which I hope would receive the vote of all 96 Senators.

Of course, all I can do is to make the suggestion. I realize there may be some differences of opinion as to procedure. However, it seems to me that if the Senator were to follow that course we would have a new resolution before the committee, which I believe we would be able to get out of the committee within a reasonably short time.

Mr. JENNER. I would be happy to do that provided both resolutions are referred back to the committee and a new resolution is brought forth. I so move to recommit, Mr. President.

The PRESIDING OFFICER. What is the Senator's motion?

Mr. JENNER. To recommit.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair understands the Senator from Indiana to move to recommit the original resolution. Is that correct?

Mr. JENNER. Yes; that is the only way we can get both resolutions to the committee.

Mr. JOHNSON of Texas. Mr. President, many and various attempts have been made to prevent the Senate from expressing itself on the pending business. As I said earlier in the day, I hope the Senate will not allow itself to be diverted from passing on the resolution.

I see some merit in the suggestion of the minority leader, that the proposed substitute of the Senator from Indiana [Mr. JENNER] to the substitute offered by the Senator from Wisconsin [Mr. McCARTHY] be considered by the Committee on Foreign Relations and that testimony be taken on it.

As I said earlier today, I am prepared to support before the committee an expression of the sense of the Senate with regard to the people who have been gobbled up behind the Iron Curtain.

However, the issue today is not that issue. The issue is whether at this moment, at this hour, we are going to say to the President of the United States and to the Secretary of State that we, the Senate, will not face our responsibilities and give them an expression of confidence in line with their constitutional responsibilities.

Mr. President, I did not submit the resolution. I did not ask for its consideration. However, when it was submitted and when it was referred to the committee, and when the committee unanimously acted on it, I said to the committee, and I say to the Senate, that the issue had been joined, and the question had been raised with the American people. I said that no doubt we would be confronted with various diversionary moves, but that we must plow the furrow straight and go straight down the line, and let each Senator express himself on the resolution.

I can assure the Senator from Indiana and the minority leader that I will be glad to do everything within my power as an individual Senator to make certain that any resolution on which the President and the Secretary of State and the distinguished chairman of the Committee on Foreign Relations, who is not present today, and Members on both sides of the aisle could agree on, will be brought before the Senate so that it would have an opportunity to act.

However, the yeas and nays have been ordered on the resolution reported by the committee, and I believe a majority of the Senators are willing and ready to express themselves on that question. If the Senator from Indiana desires to withdraw his own amendment, that is his privilege, but we cannot withdraw the McCarthy resolution, unless we want to dodge it and sweep it under the rug and not face up to it—unless we want to say that the Senate is fearful and does not want to make a decision and that some Members have confidence in the President and some do not have confidence in him so the Senate just sent the resolution back to the committee.

We can do that, if we vote for a motion to recommit the McCarthy resolution. I hope the Senator will not ask us to do that. I hope he will withdraw his motion. I shall be glad to join with the minority leader in seeing that his proposal receives prompt consideration. I have been criticized today because I gave the same assurance to the Senator from Wisconsin, but I am pleased at the prospect of the Senator from Indiana making the proposal he has made, provided it follows the usual procedure. I have not studied it, but as I understand, he desires the Senate to express its full support of any and all efforts of the President at any meeting or conference with other nations to state and confirm the deep interest of the American people in the present and future status of the nations of eastern Europe and Asia now under Communist control.

I think the committee could take that, and I think it is somewhat encouraging to us and to all the Members of the Senate on both sides of the aisle that the Senator from Indiana feels that way about it. I see nothing in it, Mr. President, that would cause me to take issue. I should like to have the recommendations of my colleagues on both sides of the aisle, if they can give them shortly, and if the department concerned can give its acquiescence or approval, and if the constituted authorities express themselves on it. I would not necessarily go along with them, but I should like to have their advice before consideration. If Senators are willing to do that, we can vote on Resolution 116, upon which the yeas and nays have been ordered, and I would not anticipate any further business today.

Mr. JENNER. Mr. President, I was merely trying to do that which I thought would help my country and also would restate to the world the way the Senate feels about the problem. I came to the floor late last evening and found what the situation was. The McCarthy resolution was submitted, and he asked for immediate consideration and received it. If the majority leader is willing to accept my suggestion, I do not see why we cannot have a clean resolution disposing of the matter, at least, by tomorrow.

SEVERAL SENATORS. Vote! Vote!

Mr. JENNER. Mr. President, I ask for the yeas and nays on the motion to recommit.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana to recommit.

The motion was not agreed to.

Mr. JOHNSON of Texas. Mr. President, is the pending amendment the McCarthy amendment to the original resolution reported by the committee?

The PRESIDING OFFICER. The Senator from Indiana has not withdrawn his substitute amendment, in the opinion of the Chair.

Mr. McCARTHY. Mr. President, I accept the amendment of the Senator from Indiana.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Is it in order for the author of the McCarthy amendment to accept an amendment by the Senator from Indiana to his resolution?

The PRESIDING OFFICER. The Senator from Wisconsin can accept the substitute of the Senator from Indiana to his substitute, but not to his resolution.

Mr. WATKINS. Mr. President, if the McCarthy amendment should be accepted, how would the resolution then read?

The PRESIDING OFFICER. If the motion before the Senate is acted upon favorably, the motion on which the yeas and nays have been ordered, it would be a confirmation of the amendment offered by the Senator from Indiana.

Mr. WATKINS. Is the amendment of the Senator from Indiana in substitution for the entire resolution of the Senator from Wisconsin, or only of his amendment?

Mr. JOHNSON of Texas. The McCarthy resolution contains a series of "whereases." There is nothing we can do about amending any of the "whereases." They are there, and will be there as long as the resolution is before the Senate. The yeas and nays have been ordered on the resolution.

As the Senator from Kentucky brought out earlier today, we can amend, strike out, add to, or change anything after line 1 on page 2 of the resolution, in the resolving clause. That has been done. We have had a suggestion from the Senator from Indiana that he would be glad to recommit the whole thing. The Senator from Wisconsin has agreed to accept the suggestion of the Senator from Indiana. I do not know whether they have thought it through; but whether they have or not, it shows the wisdom of having the committee go into these things. I think it is very dangerous to start legislating foreign policy on the floor of the Senate under any circumstances, without the most careful scrutiny by the committee, the staff, and the Department.

The resolution now provides:

Resolved, That it is the sense of the Senate that at said foreign ministers' meeting at San Francisco or at such other meeting or occasion as may be appropriate, prior to any such conference between the heads of state, the Secretary of State should secure the agreement of the Soviet Union, the United Kingdom, and France that the present and future status of the nations of Eastern Europe and Asia now under Communist control shall be a subject for discussion at such conference between the heads of state.

Mr. WATKINS. Mr. President, is it planned to substitute the language of the proposal of the Senator from Indiana for the language now in the resolving clause?

Mr. JENNER. That is correct.

Mr. WATKINS. So that the language of the proposal of the Senator from Indiana is a substitute for the language of the proposal of the Senator from Wisconsin, and he has agreed to that language?

Mr. JENNER. That is correct.

Mr. WATKINS. I had understood that it was a substitute for the entire resolution.

Mr. JENNER. No; only for what follows the resolving clause.

Mr. JOHNSON of Texas. It is the voice of Jacob and the hand of Esau. I hope the Senate will not agree. I hope not many Members will agree to this shotgun procedure. On a question of such delicacy, with a conference going on at San Francisco and another big one coming up, we can trust the committee which has given the issue thoughtful study, and I hope the Senate will vote this proposition down.

Mr. WATKINS. I thank the Senator for his explanation. The thought I had in mind when I asked the question was that, while, so far as I was personally concerned, I understood the situation, I did not think the RECORD would show a clear statement of exactly what we were to vote upon. I thank the Senator for his explanation.

Mr. JOHNSON of Texas. The Senator, as usual, is thorough, and I appreciate his suggestion.

Mr. ALLOTT. Mr. President, it is with great reluctance that I rise to speak on this matter at this time. However, I should like first, to make a parliamentary inquiry in order to be certain that we are correct, namely, that none of the "whereas" clauses of the resolution may be stricken at this time.

The PRESIDING OFFICER. The Senator from Colorado is correct. May the Chair, for the information not only of the Senator from Colorado but of all Senators, invite attention to the fact that rule XXIIII on page 29 of the manual states as follows:

When a bill or resolution is accompanied by a preamble, the question shall first be put on the bill or resolution and then on the preamble.

Mr. ALLOTT. That being the case, I shall discuss the matter very briefly. The next to the last whereas clause in the resolution reads:

Whereas failure to discuss said areas under Communist control at said Geneva meeting implies de jure recognition of Communist domination of said areas, and thus the establishment of a permanent threat to the safety, peace, and independence of the United States.

Bouvier, and I think every other lawyer understands that de jure means by right, or by right of law, or lawfully, as distinguished from de facto, which means something which exists or is in existence, but not necessarily by right, or by right of law. De jure means rightfully, lawfully, or by legal title.

Therefore, if I were to vote for the resolution, it would mean that I would be voting for a statement that the failure to discuss the matter at the Geneva meeting implies the de jure recognition of Communist domination of certain areas. I am not willing to make such a statement myself, nor am I willing to vote for such a statement as is contained in the resolution.

Under the ruling of the Chair a few minutes ago, this may be later considered, after the resolving part of the resolution proper has been voted on; but then I would place myself in the position of having voted for a resolution, a part of which I cannot embrace and in which I do not believe.

Therefore, also embracing the general principle which has been stated innumerable times upon the floor this afternoon, I do not believe in hamstringing the executive of our Government when he attempts to negotiate with other countries. Nor should we try to write foreign policy upon the floor of the Senate.

I cannot and will not endorse the statement which is made in the "whereas" clause to which I have referred, and which I implore Senators to read. Let Senators ask themselves whether they are willing to say, by voting for it, that the failure to discuss that subject at the forthcoming conference implies de jure recognition of the Communist countries. I urge Senators to read that clause and to ask themselves whether they are willing, by voting for the resolution, to endorse such a statement.

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

Mr. ALLOTT. Not at the moment.

Mr. McCARTHY. Will the Senator yield for 10 seconds?

Mr. ALLOTT. Very well; I yield.

Mr. McCARTHY. I call the Senator's attention to something which he may not have heard the Chair say; that is, that the Senate will vote first upon the resolution itself; and then, under the rule, the preamble will be voted upon. So the "whereas" clauses will not be voted on originally. The first vote will be upon the Jenner substitute. If that is agreed to, then the Senate will vote upon the "whereas" clauses. So the Senator will have two separate votes.

Mr. ALLOTT. I thank the Senator from Wisconsin. I believe I have the situation clear in my mind.

As I stated a few moments ago, if I vote for the resolution, I shall have to vote for it in the hope that this particular "whereas" clause will later be stricken. If it should not be stricken, then I would find myself in the position of having voted for a resolution, a part of which I believe to be false and which I cannot possibly endorse.

Therefore, I shall vote against the resolution. I am sorry the rules of the Senate make it necessary to do so in this way. But it is a fact that I might find myself in that position, as every other Senator on the floor might also.

Mr. JENNER. Mr. President, a parliamentary inquiry.

Mr. ALLOTT. I yield to the Senator from Indiana.

Mr. JENNER. I thought the Senator from Colorado had concluded.

The PRESIDING OFFICER. The Senator from Indiana will state his parliamentary inquiry.

Mr. JENNER. Is it not correct that the Senate vote first on the Jenner substitute?

The PRESIDING OFFICER. The JENNER amendment having been accepted as a modification, the vote will

come on the McCARTHY substitute, as modified by the JENNER amendment.

Mr. JENNER. If the Jenner substitute shall be approved, then the preamble will be subject to amendment.

The PRESIDING OFFICER. After the adoption of the resolution.

Mr. JENNER. Then the preamble will be subject to amendment. So any objections which Senators may have, such as the Senator from Colorado has raised, can be taken care of.

Mr. JOHNSON of Texas. If the Senate proceeds on the assumption that the preamble will be amended over the objections which have been raised, I do not think that is correct. I understand that the preamble cannot be touched until the Senate has adopted the resolution.

Mr. JENNER. Mr. President, in order to clarify the situation, I ask unanimous consent to strike the preamble of the resolution.

Mr. FULBRIGHT. I object.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute, as modified, proposed by the Senator from Wisconsin [Mr. McCARTHY].

Mr. JENNER. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute, as modified, proposed by the Senator from Indiana.

The amendment in the nature of a substitute, as modified, was rejected.

The PRESIDING OFFICER. The question now recurs on the original resolution. The yeas and nays having been ordered, the clerk will call the roll.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the resolution. A negative vote will carry out the recommendation of the committee. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Washington [Mr. MAGNUSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Georgia [Mr. GEORGE] is unavoidably absent.

The Senator from Minnesota [Mr. HUMPHREY] is absent by leave of the Senate to attend the United Nations anniversary celebration in San Francisco as representative of the Senate Foreign Relations Committee.

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

The Senator from Montana [Mr. MURRAY] has a general pair with the Senator from Michigan [Mr. POTTER].

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. FLANDERS, the Senator from New Hampshire [Mr. COTTON], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

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 New Jersey [Mr. SMITH] is necessarily absent.

The Senator from Michigan [Mr. POTTER] has a general pair with the Senator from Montana [Mr. MURRAY].

If present and voting, the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New Jersey [Mr. SMITH] would each vote "nay."

The result was announced—yeas 4, nays 77, as follows:

YEAS—4

Jenner	Malone	McCarthy
Langer		

NAYS—77

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

NOT VOTING—15

Aiken	George	Potter
Cotton	Goldwater	Russell
Dirksen	Humphrey	Smith, N. J.
Eastland	Magnuson	Thurmond
Flanders	Murray	Wiley

So the resolution (S. Res. 116) was rejected.

The PRESIDING OFFICER. The preamble accompanying a resolution which is rejected by the Senate is not acted upon.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. In view of the fact that my amendment was not acted upon, but only the Jenner amendment to my amendment has been acted upon, what is the status of my amendment at the present time?

The PRESIDING OFFICER. All the amendments are dead.

Mr. McCARTHY. In other words, even though the amendment was not acted upon, it dies with the rejection of the resolution?

The PRESIDING OFFICER. It was acted upon, because action was taken on the substitute.

Mr. JOHNSON of Texas. The Senator accepted the substitute.

Mr. FULBRIGHT. Mr. President, I wish to add a few words to what has already been said regarding the action of the senior Senator from Texas [Mr. JOHNSON]. I desire to compliment him, and to say that I think his leadership, in connection with the action taken this afternoon by the Senate, shows statesmanship of the highest order. The rejection of the resolution which would have injected the Senate into the very delicate negotiations regarding the so-called meeting at the summit, was a very fine contribution to the dignity, the orderliness, and the security of this body and of our constitutional system. I wish to say that I think the senior Senator from Texas has made a very great contribution to the work of the Senate and to the security of the Nation.

Mr. JOHNSON of Texas. Mr. President, I can only say that there is no Member of the Senate whom I would rather have feel that way about me than my friend of long standing, the Senator from Arkansas [Mr. FULBRIGHT]. I appreciate it very, very much.

Mr. SPARKMAN. Mr. President, I wish to second what the distinguished Senator from Arkansas [Mr. FULBRIGHT] has said. In fact, I would go a little further, and would say that the magnificent work and leadership of the distinguished senior Senator from Texas [Mr. JOHNSON] have brought the Senate to an action which I believe serves notice to the rest of the world of our unity and our solidarity behind the President of the United States at the forthcoming conferences. I use advisedly the phrase "the forthcoming conferences," because I think the impending conference is only one of several which will be necessary.

In my opinion, the finest thing we could do was to serve notice on the entire world that, regardless of partisanship, the Members of the Senate are backing the President of the United States in whatever move he may make toward bringing about better understanding among the nations of the world.

So I desire to compliment the distinguished majority leader for the fine contribution he has made to that end.

Mr. JOHNSON of Texas. I thank the Senator from Alabama very much.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, requested the Senate to return to the House the message of the House

notifying the Senate that the House had concurred in the amendment of the Senate to the bill (H. R. 4249) for the relief of Orrin J. Bishop.

The message announced that the House had severally agreed to the amendments of the Senate to the following bills of the House.

H. R. 947. An act for the relief of Carl E. Edwards;

H. R. 1085. An act for the relief of Moses Aaron Butterman; and

H. R. 1660. An act for the relief of Wencenty Peter Winiarski.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5046) 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; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FOGARTY, Mr. FERNANDEZ, Mr. LANHAM, Mr. DENTON, Mr. CANNON, Mr. TABER, Mr. HAND, and Mr. JENSEN were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5240) 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; that the House receded from its disagreement to the amendments of the Senate numbered 1 and 50 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate numbered 53 and concurred therein, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6499) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1956, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ANDREWS, Mr. MAHON, Mr. SHEPPARD, Mr. GARY, Mr. RABAUT, Mr. SHELLEY, Mr. CANNON, Mr. FENTON, Mr. COUDERT, Mr. WILSON of Indiana, Mr. JAMES, and Mr. TABER were appointed managers on the part of the House at the conference.

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

H. R. 932. An act for the relief of Ludwika Hedy Hancock (nee Nikolajewicz);

H. R. 1151. An act for the relief of Lt. (jg.) Svend J. Skou;

H. R. 1179. An act for the relief of Salih Hougi, Bertha Catherine, Noor Elias, Isaac, and Mozelle Rose Hardoon;

H. R. 1180. An act for the relief of Kimiko Sueta Thompson;

H. R. 1301. An act for the relief of Karlis Abele;

H. R. 1302. An act for the relief of Adelheid Walla Spring;

H. R. 1304. An act for the relief of Mother Amata (Maria Cartiglia), Sister Ottavia (Concetta Zisa), Sister Giovina (Rosina Vitale), and Sister Olga (Calogera Zeffiro);

H. R. 1435. An act for the relief of Paul Compagnino;

H. R. 1436. An act for the relief of Ervin Benedikt;

H. R. 1439. An act for the relief of Menachem Hersz Kalisz;

H. R. 1470. An act for the relief of Joseph Righetti and Marjorie Righetti;

H. R. 1698. An act for the relief of Anne Cheng;

H. R. 1911. An act for the relief of Charlotte Schwalm;

H. R. 1927. An act for the relief of Ralph Michael Owens;

H. R. 1987. An act for the relief of Kimie Hayashi Crandall;

H. R. 2059. An act for the relief of Edward Patrick Cloonan;

H. R. 2070. An act for the relief of Dr. Carlos Recio and his wife, Francisca Marco Palomero de Recio;

H. R. 2241. An act for the relief of Amalia Bertolino Querio;

H. R. 2242. An act for the relief of Kim Joong Yoon;

H. R. 2244. An act for the relief of the estate of Joseph Alfonso;

H. R. 2259. An act for the relief of Alessandra Barile Altobelli;

H. R. 2306. An act for the relief of Maria de Rehbinder;

H. R. 2307. An act for the relief of Julius, Ilona, and Henry Flehner;

H. R. 2313. An act for the relief of Mrs. Agnethe Gundhil Sundby;

H. R. 2315. An act for the relief of Antonio (Orejel) Cardenas;

H. R. 2349. An act for the relief of Charles S. Youngcourt;

H. R. 2717. An act for the relief of Giles P. Fredell and wife;

H. R. 2749. An act for the relief of George Risto Divitkos; and

H. R. 2753. An act for the relief of Geraldine Gean Hunt and Linda Marie Hunt.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

H. R. 903. An act for the relief of Harold C. Nelson and Dewey L. Young;

H. R. 1069. An act for the relief of Hussein Kamel Moustafa;

H. R. 1202. An act for the relief of Robert H. Merritt;

H. R. 1400. An act for the relief of David R. Click;

H. R. 1409. An act for the relief of W. H. Robinson & Co.;

H. R. 1416. An act for the relief of J. B. Phipps;

H. R. 1640. An act for the relief of Constantine Nitsas;

H. R. 1643. An act for the relief of the estate of James F. Casey;

H. R. 2456. An act for the relief of Mrs. Diana P. Kittrell;

H. R. 2529. An act for the relief of Albert Vincent, Sr.;

H. R. 2760. An act for the relief of Mrs. Sally Rice;

H. R. 3045. An act for the relief of George L. F. Allen;

H. R. 3958. An act for the relief of Louis Elterman;

H. R. 4714. An act for the relief of Theodore J. Harris;

H. R. 5196. An act for the relief of the Overseas Navigation Corp.;

H. R. 5923. An act to authorize certain sums to be appropriated immediately for the completion of the construction of the Inter-American Highway; and

H. J. Res. 232. Joint resolution authorizing the erection of a memorial gift from the Government of Venezuela.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

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

H. R. 932. An act for the relief of Ludwika Hedy Hancock (nee Nikolajewicz);

H. R. 1151. An act for the relief of Lt. (jg.) Svend J. Skou;

H. R. 1179. An act for the relief of Salih Hougi, Bertha Catherine, Noor Elias, Isaac, and Mozelle Rose Hardoon;

H. R. 1180. An act for the relief of Kimiko Sueta Thompson;

H. R. 1301. An act for the relief of Karlis Abele;

H. R. 1302. An act for the relief of Adelheid Walla Spring;

H. R. 1304. An act for the relief of Mother Amata (Maria Cartiglia), Sister Ottavia (Concetta Zisa), Sister Giovina (Rosina Vitale), and Sister Olga (Calogera Zeffiro);

H. R. 1435. An act for the relief of Paul Compagnino;

H. R. 1436. An act for the relief of Ervin Benedikt;

H. R. 1439. An act for the relief of Menachem Hersz Kalisz;

H. R. 1470. An act for the relief of Joseph Righetti and Marjorie Righetti;

H. R. 1698. An act for the relief of Anne Cheng;

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H. R. 1927. An act for the relief of Ralph Michael Owens;

H. R. 1987. An act for the relief of Kimie Hayashi Crandall;

H. R. 2059. An act for the relief of Edward Patrick Cloonan;

H. R. 2070. An act for the relief of Dr. Carlos Recio and his wife, Francisca Marco Palomero de Recio;

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H. R. 2242. An act for the relief of Kim Joong Yoon;

H. R. 2244. An act for the relief of the estate of Joseph Alfonso;

H. R. 2259. An act for the relief of Alessandra Barile Altobelli;

H. R. 2306. An act for the relief of Maria de Rehbinder;

H. R. 2307. An act for the relief of Julius, Ilona, and Henry Flehner;

H. R. 2313. An act for the relief of Mrs. Agnethe Gundhil Sundby;

H. R. 2315. An act for the relief of Antonio (Orejel) Cardenas;

H. R. 2349. An act for the relief of Charles S. Youngcourt;

H. R. 2717. An act for the relief of Giles P. Fredell and wife;

H. R. 2749. An act for the relief of George Risto Divitkos;

H. R. 2753. An act for the relief of Geraldine Gean Hunt and Linda Marie Hunt;

H. R. 2755. An act for the relief of Benjamin Johnson;

H. R. 2783. An act for the relief of Andrew Wing-Huen Tsang;

H. R. 2944. An act for the relief of Franziska Lindauer Ball;

H. R. 2947. An act for the relief of Emelda Ann Schallmo;

H. R. 3189. An act for the relief of Dorothy Claire Maurice;

H. R. 3507. An act for the relief of Luise Pempfer (now Mrs. William L. Adams);

H. R. 3624. An act for the relief of Olga I. Papadopoulou;

H. R. 3625. An act for the relief of George Vourderis;

H. R. 3626. An act for the relief of Ilse Werner;

H. R. 3629. An act for the relief of Mrs. Nika Kirihara;

H. R. 3630. An act for the relief of Mrs. Uto Ginoza;

H. R. 3864. An act for the relief of Mrs. Elizabeth A. Traufield;

H. R. 3871. An act for the relief of Orville Ennis;

H. R. 4284. An act for the relief of Mrs. Mariannina Monaco;

H. R. 4455. An act for the relief of Christa Harkrader;

H. R. 4640. An act for the relief of James M. Wilson;

H. R. 5021. An act for the relief of Harriet L. Barchet; and

H. R. 6184. An act for the relief of Lt. P. B. Sampson; to the Committee on the Judiciary.

H. R. 4663. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Trinity River division, Central Valley project, California, under Federal reclamation laws; to the Committee on Interior and Insular Affairs.

H. R. 4707. An act for the relief of Duncan McQuagge; to the Committee on Labor and Public Welfare.

H. J. Res. 251. Joint resolution to authorize the President to issue posthumously to the late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes; to the Committee on Armed Services.

ELIMINATION OF CUMULATIVE VOTING SHARES OF STOCK OF DIRECTORS OF NATIONAL BANKING ASSOCIATIONS

Mr. JOHNSON of Texas. Mr. President, may I have recognition?

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. I should like to have a bill made the unfinished business before the Senate. Then I shall yield to any Senator who desires to speak or make insertions in the RECORD.

I move that the Senate proceed to the consideration of Order No. 243, S. 256. I wish to state that if the motion is agreed to there will be no votes today on the bill.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The clerk will state the bill by title.

The CHIEF CLERK. A bill to eliminate cumulative voting of shares of stock in the election of directors of national banking associations unless provided for in the articles of association.

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.

VISIT TO THE SENATE BY HON. YUSUKE TSURUMI, MEMBER OF THE HOUSE OF COUNCILLORS OF JAPAN

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

Mr. JOHNSON of Texas. I yield to the distinguished minority leader.

Mr. KNOWLAND. Mr. President, I am pleased to have as my guest in the Senate today a member of the Japanese House of Councillors, a parliamentary body of Japan, Mr. Yusuke Tsurumi, who is a visitor in this country. I should like to have him stand so he may receive the greetings of the Senate.

(Mr. Tsurumi rose and was greeted by the Senate with applause.)

WEEKLY REPORT BY DEPARTMENT OF STATE ON THE REFUGEE RELIEF PROGRAM

Mr. LANGER. Mr. President, as chairman of the Subcommittee on Refugees, Escapees, and Expellees, of the Senate Committee on the Judiciary, I am presenting the weekly report furnished me by the Department of State. This report is dated June 17, 1955, and shows that under the Refugee Relief Act of 1953, Public Law 203, 83d Congress, a total of 35,096 visas has been issued. Last week, the figure representing the total number of visas was 33,959, and the number of visas issued that week was 1,020. This week, 1,137 visas were issued. The distribution by different countries, based on the report of June 17, is as follows:

Country:	*Total issued*
Italy	21,320
Greece	5,812
Netherlands	617
Germany	3,004
Austria	2,859
Far East	889
Others	68

As for the number of persons actually admitted to this country, I know the Senate will be interested to know that the total admissions on June 17 were 23,333. This figure represents refugees, relatives, and orphans; and the number for each category is as follows:

Refugees, escapees, and expellees	4,163
Relatives	18,392
Orphans	778

In order that the Senate may be kept informed of the actual work being done under this act, I shall continue to report on the status of visa applications under the refugee relief program.

Mr. President, I send forward the statistical statement on the refugee relief program, dated June 17, 1955, and ask that it be printed at this point in the RECORD.

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

Refugee relief program, status of visa applications, June 17, 1955

	Italy	Greece	Netherlands	Germany	Austria	France	Great Britain	Belgium	Far East	Others	Total
1. Applicants notified of documents required	68,421	19,079	1,417	22,942	12,010	2,124	905	1,513	2,682	436	131,529
2. Visas issued	21,320	5,812	617	3,004	2,859	131	139	257	889	68	35,096
3. Visas refused	1,646	765	32	2,067	945	152	120	24	622	22	6,395
4. Canceled action	563	140	140	1,114	674	96	126	118	74	43	3,088
5. Applicants still in process	44,892	12,362	628	16,757	7,532	1,745	520	1,114	1,097	303	86,950
6. Assurances received by Administrator	6,785	10,086	426	12,661	4,812	1,261	959	688	3,068	1,395	42,141
7. Assurances canceled, returned	688	737	117	805	166	86	132	13	426	370	3,540
8. Assurances verified and sent to field	5,816	8,990	264	11,386	4,493	1,100	752	623	2,478	902	36,804

NOTES

All figures cumulative.
Items 6, 7, and 8 reflect principal aliens only.

Items 1 through 5, status of applicants.
Items 6 through 8, status of assurances.

THE ADMINISTRATION'S SECURITY PROGRAM

Mr. LEHMAN. Mr. President, on June 9, the Honorable Philip B. Perlman, former solicitor general of the United States, and one of the most eminent and public-spirited men I know, testified before the Subcommittee on Government employees' security program headed by the distinguished senior Senator from South Carolina [Mr. JOHNSTON]. That testimony was one of the most compelling and effective presentations on the subject of the administration's security program that it has ever been my pleasure to read.

Although Mr. Perlman's testimony received widespread attention in the press, it was, of course, reported only in small part. I think this testimony makes such an effective argument against the security program that it deserves to be read by every Member of the Senate and to be made a permanent part of the RECORD.

I therefore ask unanimous consent that Mr. Perlman's remarks be printed in the body of the RECORD at this point in my remarks.

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

I am here in response to your invitation to discuss the employee security program, as established and operated by the current national administration. You have been authorized by the Senate of the 84th Congress (1st sess.), under the provisions of Senate Resolution 20, adopted February 21, 1955, to make a full and complete study and investigation of that program, and then to report the results, together with such recommendation as you may deem advisable.

At least two other subcommittees of the 84th Congress have been giving consideration to the various phases of the employee security program. Criticism of that program has already been voiced in hearings held by the Subcommittee on Reorganization of the Senate Committee on Government Operations. The acting chairman of that subcommittee, Senator HUBERT HUMPHREY, of Minnesota, came to the conclusion that there is no security program, "but only a mass of security programs—as many programs as there are agencies." And Senator HUMPHREY, together with Senator STENNIS, of Mississippi, has sponsored a joint resolution, Senate Joint Resolution 21, to estab-

lish a Commission on Government Security, to study all phases of the Government security operations and procedures, and to make appropriate recommendations. The Humphrey subcommittee has approved the resolution for the appointment of a study commission, but there are persuasive reasons, discussed hereinafter, why the proposed resolution should not be adopted. The Constitutional Rights Subcommittee of the Senate Committee on the Judiciary has begun an investigation of abuses of civil rights, and it may be assumed that no inquiry into such a subject can be conducted without consideration of the impact of the employee security program upon the rights, express and implied, of Government employees; and also the effect of what is known as the industrial security program on the millions of employees of private industry engaged in work under Government contract.

It is to be regretted that this subcommittee's investigation is confined to the Government employee security program. The industrial security program is operated at the instance of the Department of Defense, and follows, in important features, the procedures established under the employee security program. Many of the evils and abuses which have characterized the administration of the employee security program occur in the administration of the industrial security program, but even if that program is not yet under investigation by the Congress there is a reasonable expectation that any improvements which may be made in the employee security program as the result of the investigation or recommendations of this committee may be incorporated into the industrial security program.

The great importance to the Nation of the security measures you are investigating is indicated by recent rough estimates of the number of those whose employment is subject to the security tests prescribed in various acts of Congress, Executive orders, and other official action. They are listed as follows: Government civil employees, 2,300,000; armed services, 3 million; Atomic Energy Commission and its contractors, 130,000; port security program, 500,000; industrial security program, more than 3 million. These great numbers omit those who have been or are being subjected to loyalty or security tests by State and municipal governments, and by unofficial systems of one kind or another in professions, and in private employments of all kinds and descriptions. What has been and is being done, good and bad, by the Federal Government in the name of national security is being imitated and even enlarged in many areas of employment where any connection with national security, as that word has come to be understood, is so remote as to be practically nonexistent. This state of affairs should not be surprising, in view of the fact that the employee security program, as established by President Eisenhower's Executive Order 10450, April 29, 1953, applies to all employees of all agencies of the Federal Government, whether or not engaged in employments involving national security consideration.

The deep interest shown by the 84th Congress in the operations of the employee security program is the result of the conclusion reached by many that the program, as now constituted, is itself the source of much of the insecurity felt by the American people; that its administration in too many, but fortunately not all, of the agencies has been delegated to incompetent, unqualified, biased, or politically motivated officials, and that, generally speaking, it is revealed as one of the most potent and ruthless weapons against the freedoms and liberties and rights of the people ever promulgated by a President of the United States. I do not believe I overstate what to me is a clear and present danger from this program to the principles of equal justice upon which the Constitution and Bill of Rights are founded. I am one of those outraged by the perversion of needed security laws and rules into instruments for the satisfaction of indefensible political ends, and private prejudices, grudges, and spleen.

I am reluctant to believe that President Eisenhower knows or understands the extent of the evils inherent in his security program. I prefer to believe that the truth has somehow escaped him, although the daily press, the magazines, and other publications have been emphasizing the need for revision, and giving wide publicity to cases which should never have been allowed to occur in our country. My faith in President Eisenhower's good intentions has been somewhat shattered by a number of incidents which have received nationwide attention. For instance, Wolf Ladejinsky, an expert on agricultural problems of vital import to the United States, especially in the conduct at this time of its foreign relations, was cleared for service in the State Department, but was declared a security risk and refused employment in the Department of Agriculture. He was then cleared by the Foreign Operations Administration, and sent abroad as this country's representative. So he remains a security risk and unfit for employment in the Department of Agriculture, but he is not a security risk and is available for employment in at least two other, perhaps all other, agencies of the Federal Government. What could be more ridiculous than such a situation as this—one that, it should be regretfully added, was expressly approved by the President of the United States? What greater indictment of the entire employee security program could be drawn than the bare statement of the facts of this case?

Incredible as it may seem, there are even worse cases which have been brought to the President's attention, and on which no corrective action has been taken by him or anyone else. I mention, for example, the case of Dr. Edward U. Condon, one of our greatest scientists and former Director of the Bureau of Standards. In that capacity his researches were so valuable to the Nation that Dr. Edward Teller, who is credited with leadership in the work through which the hydrogen bomb became available, has said that Dr. Condon advanced the completion of the project, upon which the safety of the entire Nation now so greatly depends, by many months, perhaps as much as a year. After being cleared at least three times under loyalty programs previously in force, Dr. Condon became the director of research for the Corning Glass Works, New York, and he was again investigated and given a hearing under the industrial security program. He was cleared for the fourth time in July 1954, but the fact of the clearance was not published until October 19, 1954—3 months later. Two days after the publication, the Secretary of the Navy, Mr. Charles S. Thomas, was announcing on radio and television that he had revoked Dr. Condon's clearance. The Vice President of the United States, from Butte, Mont., and from other western points, where he was engaged in making speeches in the political campaign then approaching a climax, was quoted as saying that he had intervened in the matter. Secretary Thomas gave no understandable reason for his belated revocation of the decision made by the board created for the purpose of taking the testimony and passing upon the merits of the case. Vice President Nixon had no official duties with respect to the employee security program or the industrial security program. His intervention in the Condon case, assuming he was correctly quoted in the New York Times, is inexplicable except, perhaps, on grounds of political expediency. It remains only to be pointed out that if the decisions of any of the Federal security boards or panels can be annulled at the pleasure or whim of the head of the agency, or through the intervention of outsiders to the proceedings, weeks and months after the decisions have been made and the parties notified, then there is no security program worthy of the name. Government by law, or regulation or rule adopted pursuant to law, ceases to exist under such circumstances.

With these and other deplorable instances of injustices before him, it can be understood why Dr. Vannevar Bush, president of the Carnegie Institution of Washington and one of our greatest scientists, was impelled to say in an address delivered in December 1954:

"The test in this country is whether we can truly maintain our freedoms and guard our way of life against threats from without, against subversion within, and against our own errors and aberrations. We have the evil practice of ruthless, ambitious men who use our loyalty procedures for political purposes. Suspicion and distrust are rampant in the land."

Perhaps it should be emphasized that I am not dealing with the question as to whether the accused persons I have named should be regarded as security risks. I have not read the records in the cases and I do not know of my own knowledge whether there was ever any reasonable basis for the proceedings. What I do know, however, is that any program or system under which a person can be solemnly declared to be a security risk in one agency of the Government of the United States, especially an agency concerned with agricultural problems, and at the same time hold a complete clearance from the Department of State and from the Foreign Operations Administration, lacks honest, intelligent and impartial administration, and is a national disgrace. And so I take this opportunity to call the attention of the subcommittee to the case of the renowned scientist, apparently entitled to the lasting gratitude of the Nation, persecuted while in public office and hounded while in private employment, his clearance approved by the tribunal charged with the responsibility and revoked at the instance of ruthless politicians to make a sensation during a political campaign.

President Eisenhower's Executive Order No. 10450, creating the Employee Security Program, subjects all Federal civilian officers and employees, concerning whom there may be unevaluated derogatory information, to the danger of being suspended without notice and without pay; and, further, to the permanent loss of public employment on allegations from undisclosed sources.

Executive Order No. 10450 abolished the loyalty program, established by President Truman under the provisions of Executive Order No. 9835, March 21, 1947, and adopted new procedures, applicable to all derelictions charged against civilian officers and employees—from actual disloyalty down to disagreeable or unsuitable behavior. It completely eliminated the preexisting distinction between loyalty and nonloyalty cases, and opened the way for the unfortunate effort by high officials of the present national administration to make it appear, for political purposes, that all separations from Federal employment involved subversion or disloyalty.

The distinction between loyalty and nonloyalty cases, previously so carefully preserved, except where specifically authorized by acts of Congress in agencies engaged in highly confidential and sensitive operations, was continued during the existence of the loyalty program. That program was adopted in accordance with recommendations made in a report to President Truman by his Temporary Commission on Employee Loyalty, created by Executive Order No. 9806, November 25, 1946. The Commission was composed of representatives from the Departments of Justice, State, Treasury, War,

Navy, and by the President of the Civil Service Commission. The report contained a statement of the historical background of inquiries, beginning in 1939, into matters concerning the loyalty to the United States of employees and applicants for Federal employment. Before 1939 such inquiries were not made, except in emergency periods, such as during World War I, and, indeed, were regarded by the Civil Service Commission as prohibited under Civil Service Rule I, adopted in 1884, and which provided: "No question in any form or application in any examination shall be so framed as to elicit information concerning the political or religious opinions or affiliations of any applicant, nor shall any inquiry be made concerning such opinions, or affiliations, and all disclosures thereof shall be discountenanced." The original Hatch Act of August 2, 1939, prohibited Government employees from membership in any organization advocating the overthrow of the Government, and from that time there were a succession of acts, listed in the report, relating to the same subject. From 1941 through December 1946 there were a total number of 9,604,935 placements in Federal service, 392,889 completed investigations, and 1,307 persons found to be ineligible on loyalty grounds, a little more than three-tenths of 1 percent. Of all those found to be ineligible for employment, 43,537—3.3 percent—were barred on loyalty grounds.

The employee security program jumbled together in one program cases involving loyalty; security, as distinguished from loyalty; and unsuitability, as distinguished from loyalty. That mixture is supposed to have been authorized by the act of August 26, 1950 (5 U. S. C. 22-1 et seq.). The employee security program, however, is in direct violation of the intent of Congress, clearly expressed at the time of the passage of the act upon which it is claimed to be based. For that reason, and also because the employee security program is inconsistent with important provisions of the act, there is substantial ground upon which to doubt the validity of the entire Executive order. (The constitutionality of the loyalty program adopted in 1947 and revoked in 1953 was questioned but not decided in the Supreme Court in *Peters* v. *Hobby* (No. 376, October term, 1954, June 6, 1955); and the validity of the employee security program is challenged in *Cole* v. *Young* (No. 12,526, in the United States Court of Appeals for the District of Columbia Circuit)).

It should be noted that many of the safeguards against unfair and discriminatory treatment of Federal employees, existing under the previous program, were destroyed by Executive Order No. 10450, and the regulations subsequently adopted. An employee, once suspended without pay, may wait an indefinite length of time before his case is heard by a board appointed by his agency head, and he may never know what the hearing board decided. There is no appeal from the action of the agency head. A suspended employee labors under the handicap of a presumption of guilt, a concept foreign to the basic principles of our form of government and to the traditions inherited from Anglo-Saxon common law. Of course, no such presumption is written into the Executive order or into the agency regulations, but it is implicit in the procedures in the program. The employee, faced with charges as vague as his agency may choose, in the name of security, to make them, is forced to prove his innocence beyond any doubt to the satisfaction of those who started the proceedings against him. And that, because, among other reasons, most of the hearing boards are composed of employees from other agencies, conscious of the risk they run of having their conclusions questioned by congressional investigating committees, or by their own agency heads, is usually an exceedingly difficult task.

No good reason for this situation exists in the axiom, usually advanced in discussions of the subject, that nobody has a legal right to be a policeman, or to any other public employment. The rules or regulations applicable to applicants for a public job are one thing—the Government's conduct toward those it has accepted for permanent employment is quite another. Laws enacted by Congress over a long period of years, and regulations adopted in pursuance of those laws, were designed to vest certain rights in Government employees for the purpose of building a career service immune from invasions by politicians hoping to benefit from the spoils system, or lack of system.

There were, before the adoption of the employee security program, provisions in Federal laws granting certain departments and agencies, engaged in operations the disclosure of which would be detrimental to the United States, authority to suspend without pay, pending final determination on the merits, civilian officers and employees believed to be security risks. Before 1950, when the present law on that subject was enacted, such authority was vested in the Secretary of State, the Secretary of Defense, the Secretaries of the Army, Navy, and Air Force, the Secretary of Commerce, the Attorney General and the Atomic Energy Commission. The act of August 26, 1950 (5 U. S. C. 22-1 et seq.), added three additional groups of employees in three sensitive agencies—the National Advisory Committee for Aeronautics, the National Security Resources Board, and the Coast Guard (under the Treasury Department).

When the bill which finally became the act of August 26, 1950 (Public Law 733 of the 81st Cong. 2d sess.) was pending in the 2d session of the 81st Congress as H. R. 7439, the House Committee on Post Office and Civil Service made a report (No. 2330, June 26, 1950), in which it was stated:

"The bill does not deal with the suspension or removal of disloyal Federal employees. Executive Order 9835 of March 21, 1947, establishes procedures under which employees who are found to be disloyal are removed from the Federal Government. This bill is concerned with the all-important problem of dealing with those Federal employees who, although loyal to the United States, act in a manner which jeopardizes national security, either through wanton carelessness or general disregard for the public good. The committee believes it is impossible to treat security risks and disloyal employees in the same manner. Disloyal persons should not be employed in the Federal service, and where they are found and removed they are not entitled to Federal employmnt of any kind. On the other hand, if it is determined that a person separated as a security risk is qualified and suitable for other Federal employment, the committee believes that it is appropriate for such employee to work for the Government in nonsensitive Government agencies. The bill makes ample provision for the employment in nonsensitive agencies of certain of those employees who may be classified in sensitive departments and agencies as security risks."

After it had passed the House, the bill went to the Senate, and was referred to the Committee on Armed Services. In its report (No. 2158, July 25, 1950), the Senate committee said:

"It will be noticed that the bill, as amended, is not designed to set aside the President's loyalty program. It is intended that his program will be continued."

The Senate report repeated substantially the views of the House committee:

"Executive Order 9835 of March 21, 1947, established procedures under which employees found to be disloyal, as distinct from poor security risks, could be removed from the Federal Government."

"This bill is concerned primarily with the problem of dealing with those Federal employees who, although loyal, are so careless as to jeopardize the national security. Disloyal persons should not be permitted to be employed in the Federal service under any circumstances. They are not entitled to Federal employment of any kind. On the other hand, it is the opinion of the committee that if the Civil Service Commission so determines, a person separated as a security risk could be placed in another Federal job where the work is of such a nature as not to be jeopardized by his employment.

"The bill, as amended, provides that the individual concerned can ask the Civil Service Commission to review his case to determine whether or not he is suitable for reemployment in a nonsensitive agency. The bill does not provide an appeal from the decision of the head of the department whose action will be final and conclusive insofar as action affecting the individual in his own agency is concerned."

It seems beyond dispute, therefore, that (1) the act of 1950 contemplated the continuance of the Loyalty Program and not its abolition; that (2) the congressional committees envisioned a security risk as one not involving disloyalty, and believed it impossible to treat security risks and disloyal employees in the same manner; and that (3) it was intended that the sensitive agencies should be limited in number, and that a person found to be a security risk in a sensitive agency should be available for employment in a nonsensitive agency.

The heads of the few departments and agencies specifically named were the only ones given authority to suspend civilian officers and employees without notice and without pay, and, following such investigation and review as deemed necessary, to terminate the employment of any suspended officer or employee.

However, the act of August 26, 1950, contained a section which provided that in addition to the departments and agencies named in the act its provisions would apply to such other departments and agencies as the President may, from time to time, deem necessary in the best interests of national security. It should be noted that the President's authority to add departments and agencies was limited to the requirements of national security. That this restricted grant of power was never intended to be used as authority to extend the coverage of the act of 1950 to every department and agency of the Federal Government is made certain, not only by the statements in the reports of both the House and Senate committees but by the detailed provisions in the act itself for the employment in some other department or agency, with the approval of the Civil Service Commission, of persons whose services were terminated by a department or agency under the provisions of the act. This provision has now become obsolete. A security risk, except in the Ladejinsky case, is not transferred for the simple reason that no agencies employ persons already determined to be security risks.

President Truman used the power to add to the number of sensitive agencies only once. He added the Panama Canal and the Panama Railroad Company by Executive Order No. 10237, April 26, 1951.

Before President Eisenhower's Executive order of April 27, 1953, became effective, Federal civilian officers and employees could be separated from employment under the authority of the provisions of—

1. The Lloyd-La Follette Act (37 Stat. 555 (1912), as amended; 62 Stat. 354 (1948), 5 U. S. C. A. sec. 652 (a)), and various related laws, Executive orders and regulations, including especially the regulations adopted by the Civil Service Commission: The Lloyd-La Follette Act, as amended, provides that no person in the classified civil service shall be removed or suspended therefrom without pay except for such cause as will promote the efficiency of such service and for reasons

given in writing. It is provided that before any action can be taken the person whose removal or suspension without pay is sought shall have notice in writing of the charges against him, be furnished with a copy of the charges, be allowed a reasonable time to answer the charges, file affidavits, and be furnished with a written decision on his answer. The regulations provide that the employee shall be retained in an active duty or annual leave status until final decision. One of the main purposes of the Lloyd-La Follette Act and the regulations was to protect employees in the classified service from removal for purely political reasons.

2. The loyalty program, established by Executive Order No. 9835, March 21, 1947, as amended: Under that program, from December 1947, through December 1952, more than 6,600,000 persons had been checked for loyalty and security, and more than 25,500 persons had been given FBI full field investigations; 6,411 persons either had been dismissed, denied employment, resigned, or withdrew applications for employment. Under its provisions each Federal department and agency set up its own loyalty board to pass upon the merits of charges or derogatory information affecting its employees. These boards, armed with FBI and other reports, held hearings at which the person under accusation was present and was entitled to produce witnesses and to be represented by counsel. Each loyalty board made a recommendation on each case to the head of the agency in which the board functioned. If the action of the loyalty board was adverse to the employee, there was an appeal to or review by the head of the agency, and if the decision was still adverse, the employee had a right of appeal to the Loyalty Review Board, which reviewed all the proceedings, and made its independent recommendation. The cases of applicants for appointment, and all others except permanent employees were heard and determined by the Civil Service Commission's regional loyalty boards, and there also was provision for appeal to the Loyalty Review Board. This board, which reached 22 in number, was composed of eminent citizens, distinguished in the professions and industry, appointed by the Civil Service Commission without regard to political affiliation. In fact, the Loyalty Review Board, during President Truman's administration, was headed by persons who happened to belong to the opposite political party. The provision for successive appeals, the absence of secrecy in the conduct of the proceedings, the opportunity for public discussion of the cases, served, despite handicaps inherent in measures to protect confidential sources and methods of obtaining information, to provide what was believed by many to be a reasonably adequate program to shield innocent employees from injustice and discrimination. At the same time, the loyalty program helped to eliminate any communistic or other subversive elements in Government service, and, together with the Hatch and other related acts of Congress, to assure the employment of none but those completely loyal to the Government. The loyalty program was far from perfect. It was an experiment, thrust upon the Nation by the existence of a worldwide conspiracy to infiltrate, undermine, and weaken all democratic governments; to learn and exploit their secrets, and to sow dissension and fear and strife. Some mistakes were made in the administration of the loyalty program, and the way opened for abuses, the extent of which are now becoming apparent.

It has now been decided (June 6, 1955) by the Supreme Court of the United States, in the Peters case, that the Loyalty Review Board had no authority to post-audit cases, and to reverse, by its own motion, the findings of agency loyalty boards in favor of accused employees. The right of confrontation of accusers and the right of cross-examination have been so generally breached under the security programs that there is a serious question as to whether the resulting injustice to suspected persons and the weakening of safeguards upon which all free citizens are accustomed to rely are necessary to promote the national security. The accused employees and even hearing boards are not informed as to whether it is actually necessary to withhold the identity of accusers for actual security reasons, or whether, as must be the situation in some cases, the informers prefer to remain secret in order better to perpetrate an injustice. The Government, I assume, would not deliberately protect such people but its officials do not seem to have any choice. Then, too, there has been a tendency, because of inexperience and because of pressure from those seeking political advantage, to place undue emphasis upon trivial incidents and circumstances, and to build up theories of guilt by association—theories under which nets could be woven of sufficient width to entrap almost everybody.

One glaring defect, inherited and enlarged by the security program, is the rehearing or retrial, time and again, of the same charges based on the same information. It seems impossible for any Government employee, once derogatory information of any character reaches his files, to obtain final and permanent clearance. Any charge or hearing, however innocent of wrongdoing the employee may be, produces a cloud which hangs permanently over the personnel record of the employee and militates against his chances of promotion or employment elsewhere, even in another place in the same government. In an effort to devise a plan under which duplication of investigations, of hearings and of successive clearances would be eliminated, the previous administration was at work on an employee fitness program when its tenure of office came to an end. That project was never completed.

It is worthy of the heaviest possible emphasis that under the loyalty program as established by Executive Order No. 9835, March 21, 1947, and as thereafter administered, no person was separated from Government service or was taken off the Government payrolls and his livelihood endangered or destroyed, until his case had been adjudicated, after opportunity to present his defenses either to the agency or the reviewing loyalty board. There were practically no exceptions to this rule. That is not the situation today.

3. The act of August 26, 1950 (ch. 803, Public Law 733, sec. 1, 64 Stat. 476, U. S. C. A. 5, sec. 22-1, and Executive Order No. 10237, April 26, 1951), which designated the particular sensitive departments and agencies, the heads of which, in the interests of national security, were given power of summary suspension of officers and employees without pay. The suspended employee is entitled to notice of the reasons for his suspension only to the extent that the agency head determines that the interests of national security permit. The employee is given an opportunity within 30 days to file statements or affidavits to show why he should be restored to duty. The agency head is given power to terminate completely the employment of a suspended civilian officer or employee whenever necessary or advisable in the interest of national security.

Congress intended, as the committee reports prove, that all three of these avenues for the removal of employees should remain in effect for use by the heads of departments and agencies—the Lloyd-La Follette Act for the suspension and removal of incompetent, unqualified, and otherwise undesirable employees; the loyalty program for the removal of the disloyal and the subversive, and the act of 1950 for the removal of security risks, as distinguished from those disloyal. The congressional committees said that they intended the act of 1950 to relate only to the problem of dealing with Federal employees who, although loyal to the United States, "act in a manner which jeopardizes national security, either through wanton carelessness or general disregard for the public good." The conclusion that it was impossible to treat disloyal persons and security risks in the same manner was based mainly on the ground that disloyal persons should not be employed anywhere in the Federal service, but that persons found to be security risks, where matters of a confidential or sensitive nature are handled, might be qualified and suitable for employment in a nonsensitive agency.

It may seem to be curious that final determinations in cases of subversion and disloyalty involved procedures for notice, hearing, and successive appeals, although employees charged with being security risks—and not with disloyalty—might be removed from sensitive agencies without notice and without pay, pending final action. On reflection, the reason seems obvious. As already stated, it was provided in the act of Congress that any official or employee deemed unsuitable as a security risk in sensitive agencies, which were comparatively few in number, would, if qualified for employment elsewhere in government, be eligible for such employment. Then, too, a determination of disloyalty to the United States, carries with it a permanent stigma, a judgment which may bar the accused from public employment anywhere in the United States, and which may close the door to opportunities for private employment as well. In addition, such a determination may invite criminal prosecutions. The offender, under any circumstances, is marked for life. Because, therefore, in cases involving such grave consequences to the accused, and where conclusions are reached without the aid of juries and without the rules of evidence observed in the courts, President Truman, on the recommendations of his Commission, in his Executive order establishing the loyalty program, attempted to minimize the danger of abuse through provisions for hearings, appeals, and for a full consideration by competent, disinterested persons unlikely to be subjected to or influenced by political or other extraneous influences.

Although the loyalty program contemplated that a person under charges might be suspended from the actual performance of duties pending a determination as to loyalty, the presumption of innocence until a determination otherwise was implicit in all the provisions of the loyalty program. Congress knew of the safeguards and approved them, as the committee reports indicate. In addition the statutory provisions for suspension and removal under the Lloyd-La Follette Act, the various other acts of Congress, and Executive orders, were intended to give the heads of departments ample authority to free the Government service of inefficient, incompetent, and sometimes corrupt employees who manage from time to time to obtain public employment, as they do also in private enterprise. No such suspensions or removals ordinarily, except where a crime is involved, carry a permanent stigma, nor the consequences incident to a determination of disloyalty.

The effect of President Eisenhower's order of April 27, 1953, was to make, for the purposes of the security program established by that order, every department and agency of the Federal Government a sensitive department or agency, whether handling confidential matters or not. The simultaneous abolition of the entire loyalty program, together with all of the machinery and procedures for handling loyalty cases, and the merging of all loyalty and security cases into one program and one set of general procedures with regulations of details left to each agency, contrary to the express intent of Congress, compels every civilian employee

of the Federal Government to work under conditions where anonymous charges lacking any tangible basis may be used to deprive him of his livelihood temporarily and, perhaps permanently, to subject him to suspension without notice and without pay; and where, if any action is taken against him, there is a presumption of guilt which imposes upon him the heavy burden of establishing his innocence. This burden usually cannot be met without heavy expense for gathering witnesses, for the preparation of affidavits, for the employment of lawyers, for the cost of a stenographic transcript of testimony—and all this occurs during the period when the employee is under suspension without pay and therefore without the income upon which, in many cases, he is absolutely dependent.

Under the provisions of the Executive order establishing the employee security program, and the regulations prepared by Attorney General Brownell for the Justice Department, the authority conferred upon the head of the department to make summary suspensions without pay was delegated to the heads of divisions, bureaus, services, boards, and officers. The heads of other departments and agencies of Government have delegated authority to such officer or officers as have been selected by them. It is now evident that many such selections have not been carefully and prudently made, and it should be pointed out that neither the Executive order nor the sample regulations prepared by the Attorney General for use by all departments and agencies contain provisions specifying any particular qualifications for those entrusted with the heavy responsibility of evaluating information and of determining whether or not to initiate proceedings against other officials and employees. Upon the receipt of derogatory information relating to criteria set forth in the regulations the evaluation of such information takes place, and then there is a determination as to whether suspension is necessary. The criteria include, among more specific items, information concerning any behavior, activities, or associations which tend to show that the employee is not reliable or trustworthy. If suspension is ordered, it occurs immediately and there is a period not exceeding 30 days before the employee is advised in writing of the charges against him. It is provided in the sample regulations that the statement of charges "shall be as specific and detailed as security considerations, including the need for protection of confidential sources of information, permit and shall be subject to amendment within 30 days of issuance."

So that now all the employee is told about the charges against him is what a division head or other superior official, and the agency's security officer, decide to tell him. Important facts, needed for an adequate defense, may be withheld in the discretion of the security officer because of alleged security considerations and the need for protecting confidential sources of information, although the employee concerned may never know whether the reason was valid. Under the loyalty program measures for protecting the national security and the sources of confidential information were included, but it was also provided that the accused official or employee should be informed in writing of the nature of the charges against him in sufficient detail, "so that he will be enabled to prepare his defense." The Eisenhower-Brownell program, as embodied in the Executive order, contains no such provision. The Executive order does not require that an accused employee, whether it be on loyalty or any other charges, no matter how serious or how comparatively trivial, be told anything in particular. The regulations prepared by the Attorney General for the Justice Department merely provide that "said statement of charges shall be as specific as security considerations permit" (sec. 9 (c)).

Inasmuch as security, for the purposes of the program, includes all derelictions of duty, it may be wondered just what application such a general and vague formula can or should have to cases in which loyalty plays no part; and also how, in loyalty cases, a defense can be prepared if the charges are as general and vague as the formula itself. A statement of charges is analogous to an indictment, and in many instances, now that loyalty, and security, and everything else is scrambled together, the consequences of such charges may be just as severe on the accused as an indictment formally returned by a grand jury. But under the Eisenhower-Brownell employee security program, the employee, his means of livelihood at stake, is to be told only what his superiors decide security considerations may permit.

Except in those few departments and agencies where different security regulations have been adopted, a suspended employee is given 30 days to make his answer and file supporting affidavits, after which he is entitled to a hearing before a hearing board of not less than 3 civilian officers or employees of other departments and agencies of the Federal Government. The Atomic Energy Commission, for example, established a special board to hear the case of Dr. J. Robert Oppenheimer, naming three outstanding citizens not in Government employment; and the Department of the Navy, in addition to its security hearing boards, established under the act of August 26, 1950 (Public Law 733, 81st Cong.) and the Eisenhower Executive Order 10450, has created a security appeal board, which reviews the findings of the hearing boards for the guidance of the officer to whom authority to take final action was delegated by the Secretary of the Navy (the procedure followed in the much publicized case of Abraham Chasanow, an employee in the Navy Hydrographic Office).

The sample regulations prepared by the Attorney General provide that no person shall serve as a member of a security hearing board in the case of an employee with whom he is acquainted. There is no provision fixing the time within which, after the answer is filed, the hearing should take place. Presumably at least 2 months elapse from the date of suspension until the answer is filed, and thereafter there is no time limit on any of the prescribed procedures. The security hearing board will be selected and will sit whenever arrangements are made by the department or agency head, or by those to whom the authority is delegated. After the hearing is over, the board is required to make a decision in writing, and the department or agency head then makes the final determination. There is no provision for a time within which, after a hearing is held, a decision should be reached either by the hearing board or finally by the department or agency head. The employee may be held under suspension without pay for an indefinite period. If the final decision is favorable, he is reimbursed, if he is a permanent employee, for the salary withheld during the period of suspension, but he is not reimbursed for the costs he incurred, and they are certain to be substantial, in meeting the burden of proving his innocence. Moreover, any employee without permanent status who is suspended and thereafter reinstated may be deprived of all pay during the period he was mistakenly or wrongfully suspended. The Comptroller General has ruled that the act of August 26, 1950 (Public Law 733, 81st Cong.) providing for compensation does not apply in such cases, and litigation is pending.

The innocent employee, while awaiting the final decision, is forced into a dilemma. It is to his interest to wait, at whatever cost, and whatever deprivation. If he seeks employment elsewhere, he is handicapped by the fact that unresolved charges are pending against him. If his needs force him to apply elsewhere, and if he is successful in obtaining other employment, his case may never be adjudicated and the charges remain as a permanent cloud over his good name, a handicap to future employment in the Federal Government, and a serious obstacle to opportunities for position and promotion in private employment.

If, on the other hand, he waits and the decision is adverse to him, he is left without remedy, irreparably and permanently injured. There is no appeal. Moreover, he may never know what the hearing board decided, whether its decision was unanimous or whether there was a dissent. The hearings are private. The regulations provide that there shall be present at the hearing only the members of the hearing board, the stenographer, the employee, his counsel, the agency employees concerned, and the witnesses when actually giving testimony. As originally sent to the various department and agency heads, the proposed regulations drafted by the Attorney General provided that a copy of the decision of the hearing board should be sent to the employee. When he came to put the regulations into effect in his own Department—the Department of Justice—the Attorney General not only eliminated this provision but expressly provided (sec. 11 (N)) that "the employee shall not be advised of the decision of the board or of the dissenting opinion of any of its members." So, in the Department of Justice, and in such other departments and agencies as have adopted the same procedures, the suspended employee does not know whether the final decision which determines his fate follows the findings of the hearing board, or whether it overrules and ignores the conclusions of those who heard the testimony in the case. Because of the different regulations there is no uniform practice, and employees in one department or agency may be given information denied to employees elsewhere in Government.

It seems difficult to arrive at a sound reason for withholding such information from the accused employee, especially where the members of hearing boards are picked by the heads of the departments or agencies in which the charges against employees are issued from lists maintained by the Civil Service Commission. The lack of any right of appeal puts the employee at the mercy, if any, of those who formulate the charge against him. They are the subordinates of the head of the department or agency, and may be presumed to be abiding by and enforcing his policies as to employees as well as operations. In any event, most of the hearing boards are in a difficult situation. Its members are not usually heads of departments or agencies, or outside of the Government, as in the Oppenheimer case, and, therefore, their ability to hold their own positions may be endangered if they antagonize others possessing great power and authority. The demand made, from time to time, by congressional investigating committees for the names of those who gave clearance to or dismissed charges against officials and employees under attack is sufficient warning to every member of a security hearing board that conclusions reached by them may be the subject of investigation and criticism, if not in accord with the opinions of subsequent investigators. The widespread fears endangered by the character of investigations conducted by congressional committees, and the natural reluctance of any Government official or employee to become involved in any such procedures contribute to difficulties in arriving at entirely objective findings. In view of the present climate of opinion in this country, members of hearing boards can hardly be blamed for feeling that the well-publicized demagogs of the day are peering over their shoulders and breathing down their necks. And where, as in the Department of Justice, such findings are to be kept secret from the employee involved, the chances for injustice would seem to multiply.

The abolition of the loyalty program and the substitution of the new procedures for the adjudication of practically every conceivable kind of charge from simple bad behavior to treason has resulted in the equation of the term "security risk" with subversion or communism. The public impression that they are all one and the same thing has been fostered by recent events. For a period of time it was the practice of officials high in Government to announce the total number of persons suspended or dismissed or who had resigned, or who had for any reason or no reason been added to the number of security risks, together with statements relating to communism or subversion. For instance, when the Attorney General, under extremely dramatic circumstances, testified before the Senate Internal Security Subcommittee in an attempt to substantiate his assault on President Truman in the matter of the Harry Dexter White case, he suggested that the subcommittee should examine with great care the reasons given for keeping White in Government employment, and also examine the record of what had been done to protect the national security. And the Attorney General said:

"Despite difficulties stemming from past laxity, 1,456 employees have been separated from Federal Government payrolls since January 1953, on the grounds that they are security risks. More cases are still under consideration.

"Our work to date has clearly shown the need for at least two new laws to help the Government in the prosecution of espionage cases."

The Attorney General sandwiched the figure of 1,456 security risks between comments on the Harry Dexter White case and recommendations for new espionage laws. The unavoidable conclusion from this treatment of the employee security program was that the security risk cases, or most of them, were espionage cases, or involving disloyalty in some form. The Attorney General, at the same hearing, admitted, under questioning that some of the cases involved drunkenness and some involved sexual perversion, but the Attorney General was content to leave it at that, and never then or thereafter attempted to give a clear idea as to what the 1,456 cases really involved. The figure of 1,456, used by the Attorney General in November 1953, had already been given out at the White House during the latter part of October. On December 4, 1953, Governor Dewey of New York made the statement that the 1,456 alleged security risks had been planted in the Government of the United States under Democratic administrations, and coupled that statement with the observation that it is nice to have a government which is not infested with spies and traitors. Senator JOSEPH MCCARTHY said publicly that practically all of the 1,456 were removed because of Communist connections and activities. Postmaster General Summerfield made statements giving the same impression and Bernard Shanley, the President's legal adviser, who later made complete retraction, said that 1,456 subversives had been kicked out of the Government. And there are many other instances of similar statements by Cabinet officers and lesser officials of the national administration, as well as those contained in press releases issued under the auspices of the Republican National Committee.

Later on, the number of security separations, still practically indistinguishable from cases involving communism and subversion, was raised to 2,200, and then to 2,500. More recently the number generally used has increased to 8,008.

Due, however, to persistent inquiries made by the press and by members of congressional committees in the Senate and House, it has been learned that the number of security risk cases, so far as the departments and agencies in Washington are concerned, do not involve a single known Communist, and outside of Washington, and including all the nearly 2,500,000 Federal employees, there are indications that only 1 alleged Communist, and he an obscure person in an unimportant position, is supposed to have been found. Inasmuch as his identity and the place—somewhere in the Northwest—where he is supposed to have been employed have not been revealed, and there is no information that he has been prosecuted for violation of the Hatch Act or the Smith Act or any other act, that single vague exception seems on the verge of disappearance.

In the State Department, under attack for years, there have been several hundred security-risk cases, but these did not include the case of a single Communist; the Security Director there, at an early stage of congressional inquiry into what began to be called a numbers racket, said that only 11 cases involved loyalty charges, and of those only 4 cases were begun under the present administration. It may be assumed that the number is now larger. The Justice Department's security-risk cases at that time involved loyalty charges in only 8 cases, and there, as elsewhere, no known Communists were involved. But perhaps just as important information as the relatively few number of loyalty cases is the fact, finally uncovered with difficulty, that the number of security-risk cases publicized by the administration includes many cases of resignations, and even deaths, where no final determinations based on evidence were ever made or ever can be made. The number of alleged security-risk cases announced by the Chairman of the Civil Service Commission even includes many cases of transfers of employees from one department to another.

The chairman of this committee, Senator OLIN D. JOHNSTON, as far back as January 1954, when the alleged security risks numbered but 2,200, challenged Attorney General Brownell to support his charges of large numbers of subversives in Government. Senator JOHNSTON pointed out that every Federal employee must take an oath of office, and publicly demanded that the Attorney General disclose the number of indictments, if any, he obtained from among those dismissed as security risks. "If there are none, as I suspect," said Senator JOHNSTON, "then he should resign his office." If any of the original 1,456 security risks, or the later 2,200, 2,500, 8,008, or any number dismissed since the Eisenhower security program went into effect has been indicted or tried or convicted for obtaining governmental employment while holding membership in an organization advocating the overthrow of the Government, that fact has escaped my notice. I am under the impression that, despite all the propaganda about Communists and other subversives in Federal employment, no such cases have ever been brought, as I am sure that, if any, they are so few in number as to be unworthy of public attention.

There is no doubt, however, that every possible device has been used to make it appear that great numbers of subversives were in the Federal service when the present program went into effect, ignoring the results obtained under the previous program and the laws in effect since 1939. And there is no doubt that the programs adopted upon the abolition in 1953 of the loyalty program have inflicted untold hardship and misery and ruination upon many innocent Government employees and employees of private industries and the families of both public and private employees. Last February the Secretary of Defense issued a directive, to take effect in April, designed to eliminate unnecessary suspensions of defense-plant workers. The General Counsel of the Defense Department admitted there has been more than a desirable number of offhand suspensions by plant security officers, and cases dragged from 6 months to a year.

About 1 month later Attorney General Brownell wrote a letter to the President in which he advocated emphasis on 7 matters of procedure, in an attempt to improve the operation of the employee-security program. Those seven points have been discussed before this committee by former Senator Harry P. Cain, member of the Subversive Activities Control Board. As Senator Cain pointed out, the new improvements work no real change in program, but are simply methods of administration which should have been effective from the beginning. The Washington Post and Times Herald, in an editorial, March 9, 1955, said that "The major objection continues to be one that has plagued the loyalty program from the beginning—that there is no objective check on the veracity of the accusers."

This subcommittee has incorporated in the record the Attorney General's seven points, and his letter to the President and the President's reply. But the Executive order has not been amended on these points. They remain merely an advisory letter to agency heads, and they will be honored or not as subordinate security officials decide. Perhaps now there will be presuspension notice and conferences; and perhaps now security officials will be a little more careful in recommending suspensions on unevaluated information before an employee is given an opportunity to suggest that the information may be misleading or even false. Perhaps it may become as unpopular to suspend employees without reasonable basis as it has been popular to pile up figures of suspensions and dismissals for the edification of an uninformed public. This subcommittee, in the course of its investigation, should obtain, from every agency, the inexcusable cost to the Government of the suspensions which both before and after hearings resulted in reinstatements. It will be found that the Government has paid out, and will continue to pay out vast sums to employees who were not allowed to work during the period of suspension. The cost to the employees in money, as well as in anguish and worry and damage to reputation has already been mentioned, and this, despite the Attorney General's letter, will continue until definite, understandable standards are adopted by the administration and enforced by trained, qualified security officers.

Senator Cain recommends that the act of August 26, 1950 (Public Law 733 of the 81st Cong.) be amended so as to vest agency heads with discretion to retain Government employees on duty during the determination of security charges against them. Senator Cain has been misinformed as to the necessity to amend the law in this particular. It may be that the Justice Department construes the act of Congress as requiring suspensions without pay when charges are preferred, but I would not think such an interpretation is sound.

In the first place, even if the law now reads that way, there is nothing in it which prevents the agency head, or his security officers, from giving an employee against whom there is derogatory information such opportunity as may be deemed advisable to answer and submit proof in defense. There could be extended investigation and consideration, and the merits pro and con could be examined in detail before any charges are formally brought. Under these circumstances, there would be no suspensions unless the head of the agency or other responsible official is first satisfied that there is no adequate defense.

But I call your attention to the plain language of the act. It provides that the head of each of the sensitive agencies named by Congress (and presumably those added by the President) "may, in his absolute discretion, and when deemed necessary in the interest of national security, suspend, without

pay, any civilian officer or employee" of the designated agencies. The act of Congress says "may, in his absolute discretion," and I don't know how anyone can torture that permissive language into a mandate to suspend summarily without pay. It should be remembered that one of the very purposes of the act was to authorize, when the necessity arose, suspensions which before then could be questioned. To amend the act to grant authority to retain the services of employees against whom derogatory information has been received is to attempt to reverse what Congress thought necessary in 1950. If there is any difficulty about the authority of the agencies to retain the services of those awaiting clearance or dismissal, the difficulty is due to the President's Executive Order No. 10450. Section 6 of that order provides that "Should there develop at any stage of investigation information indicating that the employment of any officer or employee of the Government may not be clearly consistent with the interests of the national security, the head of the department or agency concerned, or his representative, shall immediately suspend the employment of the person involved if he deems such suspension necessary in the interests of national security, * * *," so that, although the Executive order is couched in mandatory terms, the determination to suspend immediately prior to investigation and hearing is dependent in each case upon a finding that the suspension itself is necessary in the interests of national defense. The great mass of cases involving matters unrelated to loyalty, and the large number of so-called loyalty cases in which the derogatory information is flimsy and indefinite and vague should be sufficient proof that the policy of mandatory suspension prior to hearing is not warranted either by the act of Congress or by an accurate interpretation of the Executive order. Certainly whatever ambiguity there may be in the Executive order could be cleared up overnight by an appropriate amendment issued by the President. The Attorney General has already taken a halting quarter or maybe a half step in the proper direction by emphasizing the need for notice and conference with an employee before any action is taken against him. The Attorney General's action itself negates the idea that the act of Congress is mandatory in the matter of suspensions without notice and without pay—the source of much of the discrimination, misery, and injustice imposed by irresponsible, ignorant, and foolish public officials, unworthy to exercise the great authority and power with which they have been clothed as officials of the Government of the United States.

Executive Order No. 10450 has already been amended four times by President Eisenhower. Two of the amendments, Executive Order 10491 (18 F. R. 6583, October 16, 1953) and Executive Order 10531 (19 F. R. 3069, May 28, 1954) gave express authority to dismiss under the security program any employee who refuses, upon the ground of self-incrimination, to testify before a congressional committee regarding charges of disloyalty or other misconduct. This action was hailed at the time as an important security measure, but there can be no doubt that such authority already existed under various laws and regulations. It might be interesting to learn whether any employee of the executive branch of the Federal Government ever claimed the privilege against self-incrimination before a congressional committee. Another amendment of the program was contained in Executive Order No. 10550 (19 F. R. 4981, August 7, 1954) requiring the Civil Service Commission to report the results of its study of the program, and to make recommendations to the National Security Council at least semi-annually; and requiring the head of each agency to report to the Civil Service Commission the action taken on each full field investigation, so that the information could be included in the reports by the Civil Service Commission to the National Security Council. The other amendment, Executive Order 10548, 19 F. R. 4871, August 4, 1954, applied the security program to employees suffering any illness, including any mental condition, which may cause significant defect in their judgment or reliability.

The sole change made by President Truman in the Loyalty Program as adopted in 1947 occurred in Executive Order 10241 (16 F. R. 3690, April 28, 1951) when he changed the standard for dismissal from one that required a finding that "on all the evidence, reasonable grounds exist for belief that the person involved is disloyal to the Government of the United States," to a standard that "on all the evidence there is reasonable doubt as to the loyalty of the person involved to the Government of the United States."

The manner in which the Employee Security Program has been administered, and the effort to couple a comparatively few disloyalty cases with transfers, resignations and deaths, and with more or less routine derelictions of duty of the kind previously processed under laws and procedures long in effect, has been disastrous to the morale of the Government service. No more moving testimony has been given as to what the situation is in the Federal service as a result of continuous attacks, of investigations and trials of individuals under departmental security regulations, than that contained in the letter published in the New York Times January 17, 1954, by former distinguished ambassadors and diplomats Norman Armour, Robert Woods Bliss, Joseph C. Grew, William Phillips and G. Howland Shaw, in which it was said that:

"Fear is playing an important part in American life at the present time. As a result, the self-confidence, the confidence in others, the sense of fair play and the instinct to protect the rights of the nonconformist are—temporarily, it is to be hoped—in abeyance. But it would be tragic if this fear, expressing itself in an exaggerated emphasis on security, should lead us to cripple the Foreign Service, our first line of national defense, at the very time when its effectiveness is essential to our filling the place which history has assigned to us."

What is true of the Foreign Service of the State Department applies to the other great and vital departments and agencies of the Federal Government. The wholesale slanders and smears against the Federal service has damaged the departments and agencies, and injured the whole Nation. The most devastating effect, however, is suffered by individuals who may be driven, without just cause, from public service, their careers ruined; and who, as a result, may find it difficult to obtain suitable employment in private enterprise. No complete and satisfactory breakdown of the operations of the so-called employee security program will ever be made. Even if the exact number of actual loyalty cases, as distinguished from other security risk cases, could be ascertained, that number would not reveal the basis on which the determinations were made. Some statements indicate that the numbers of security risk cases include cases in which "derogatory loyalty information was in the files," whatever that may mean. Nobody without access to the files knows whether the alleged information is in fact information, or how much of it is unevaluated, unproved and unprovable libel, the fruit of the activities of the demagog, the crackpot, the malicious slanderer, the reckless and irresponsible purveyor of the entirely false and the half-truth, the evil generator of fear and prejudice. The confidential informants who supplied what is called information in the files may be one or more of these things, but the employee who is deprived of his livelihood may never know the character and source of the so-called information that may be kept from him but which may have influenced a final determination against him. The chairman of the Civil Service Commission, testifying sometime ago before the House Civil Service Committee on a total of 422 loyalty cases, in none of which, so far as he knew, there was proof of communism, said there was some derogatory information in the files concerning loyalty—and that is all that seems to be known publicly about the cases. So even where hearing boards under the employee security program make adverse findings there is no way in which such findings can be analyzed against the evidence, for there is no disclosure, in the Department of Justice and other departments and agencies, as to what the hearing board decided, and no appeal. The existence in all departments and agencies of fear of criticism, and the spreading of fear by the publication of unfounded claims of the number of security cases—as security was intended to be defined by Congress—militates against fair hearings and fair decisions on security risk cases. The spectacle, so familiar these days, of continuous repetition of accusations, sometimes after being frequently disproved, until confused with and accepted as proof of guilt; the dramatic performances, carried to the far corners of the Nation by radio and television, staged by high officials of Government; the vast amount of publicity on the subject in newspapers and magazines, all have contributed to the creation of a climate in which distrust, fear, and suspicion have become widespread, and begin to make it extremely doubtful whether any employee of Government, at any level, can obtain a fair and impartial determination of charges against him.

When the employee security program was put into effect in April 1953, it was advertised and received by many leading newspapers as a means of correcting the popular impression, resulting from years of unfavorable propaganda, that the Federal service contained substantial numbers of espionage agents, disloyalists, drunks, perverts, and incompetents. The new program was to remedy all that. "The practical effect of this change," said the New York Times (April 30, 1953) "is that henceforth an employee dismissed from Federal service under the security program does not necessarily bear the onus of disloyalty." He does not necessarily bear the onus of disloyalty. But in reality, he does. It was not generally understood that the program made every agency of the Government a sensitive agency; made every employee subject to suspension without notice, without pay, and without appeal, and subjected every employee, when charges are preferred, to a presumption of guilt which no criminal, no matter how long and how bad a record he may have, is required to face. Neither was it thought that separations from the Federal service under the so-called security program would be used so as to make it appear to the people of the Nation that all of them, or most of them, involved cases of disloyalty, and the balance drunkenness or perversion. So far, therefore, from removing the onus of disloyalty from Government employees who may leave the service for other reasons, the employee security program is the instrument through which they are endangered.

The March 1954 edition of the Annals of the American Academy of Political and Social Science is devoted to the subject of bureaucracy and democratic government. In an article entitled "Security of Tenure—Career or Sinecure," by O. Glenn Stahl, who is executive vice chairman, Interagency Advisory Group, United States Civil Service Commission, points out that Philip Young, Chairman of the Commission, has said that "the people who work for Government have even greater loyalty, more idealism, a stronger desire to get a job done and get it well done than employees of private industry." And Dr. Stahl wrote:

"Devastating, despairing, and ignorant criticism of public servants and of their effectiveness is in deadly contradiction to our

vital need to attract and to hold outstanding qualified people in the public service. It has in it the germs of destruction of all Government. No more subtle method of subversion exists and none plays more into the hands of the Communists than the recurrent campaigns of insidious, blanket derogation of public employees as a class. Nor is the situation helped by periodic forays into employee activities by demagogs, whether disguised in the name of national security or in the name of efficiency. It is high time that public servants were taken off the defensive and given recognition for their genuine achievements rather than notoriety for the misdeeds of a few."

The Attorney General informed the annual conference of the Civil Liberties Clearing House that "we will be the losers if, in our efforts to combat those who would destroy our civil liberties, we sacrifice them." There are those who believe that some liberties have already been infringed, if not sacrificed, by the program drafted by the Attorney General and signed by the President of the United States.

RECOMMENDATIONS

With the situation confronting this subcommittee, as I have attempted to outline it, it would seem to me that there is every reason why you should, as your investigation continues, draft a bill establishing a loyalty and security program, applicable to all agencies of the Federal Government.

In my opinion no commission such as is proposed by Senate Joint Resolution 21 is needed to investigate what you are already charged with investigating, although it may be advisable for you to seek an extension of your jurisdiction, so as to include consideration of such procedures as are provided by the industrial security program, and such subjects as are included in the special authority proposed for the President with respect to private employments in S. 681, introduced by Senator BUTLER, January 24, 1955.

The Government should have one overall security program, not a mass of programs, under which there are different regulations in different agencies, with no real uniformity throughout the executive branch of the Government. Suitable exceptions, as in the case of the Atomic Energy Commission, could be preserved.

This subcommittee could obtain any assistance it may need from its own staff and from any group of lawyers in private practice it may designate to prepare such a bill for your consideration. And it can be done promptly. The appointment of a commission would mean long and unnecessary delay before any real improvements are made or a new program adopted. But if it is determined, for any reason, to delay legislation at this time, then I would urge you not to approve a resolution giving the appointment of the commission to officials of the present administration. It is proposed to have a commission of 12, 4 to be appointed by President Eisenhower, 4 by Vice President NIXON, and 4 by Speaker RAYBURN. Under this proposal, eight of the commissioners would be named by the President and Vice President, both of whom seem satisfied with the existing program, and who, therefore, would be reluctant to sponsor any changes. If there is to be any commission, I would suggest that its members be named in the resolution itself, and not left to the officials who are responsible for the creation and administration of the existing program.

Any new program should contain whatever provisions are advisable and necessary to rid Government service of any subversives who may have infiltrated; and necessary to keep any subversives out. That is the prime purpose of any such program, and every good citizen will support any reasonable measure designed to achieve that desirable goal without opening the door to base political schemes, and the triumph of the defamer, and the irresponsible demagogue. While protecting sources of information where actual and bona fide security considerations are involved, it is certainly possible to observe to the fullest measure practicable the rights and the liberties and freedoms inherent in our institutions of government. We have strayed far from a government of law in the matter of national security. This subcommittee is in a position to guide the way back.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5559) to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOPER, Mr. DINGELL, Mr. MILLS, Mr. JENKINS, and Mr. SIMPSON of Pennsylvania were appointed managers on the part of the House at the conference.

RETURN TO THE SENATE OF SENATOR CLEMENTS

Mr. JOHNSON of Texas. Mr. President, I am delighted, happy, and joyful to see that the able senior Senator from Kentucky [Mr. CLEMENTS] has returned to his duties in the Senate Chamber.

Mr. CLEMENTS. Mr. President, my friend from Texas is very kind. I want him to know that he is no happier to see me back than I am to be back.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I have talked with the minority leader about the subject I now mention. However, I should like to have a statement appear in the RECORD to the effect that, if the report is available—and we expect it to be available—the District of Columbia appropriation bill will probably be taken up for consideration after the morning hour tomorrow. I refer to House bill 6239.

I will say further, for the information of Senators and others who may read this portion of the RECORD, that I am informed that the bill was reported unanimously by the subcommittee and unanimously by the full committee. So far as I am aware, there will be no yea-and-nay votes. I am not in a position to say to the Senate what business will be taken up during the remainder of the week because the Senate itself is in a better situation than are some of its committees. It may be that after tomorrow the Senate may recess for a day or two in order to enable Senators to attend conference committee meetings and perform other committee work, so that there may be some business for the calendar.

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

Mr. JOHNSON of Texas. I yield.

Mr. BARRETT. I may say to the distinguished majority leader that consideration of Senate bill 1713 was held up because the minority views had not been filed. They were filed only a few moments ago. While, as one of the cosponsors of the bill, I do not agree with the minority views, that bill might be added to the list of measures ready for consideration.

Mr. JOHNSON of Texas. I will ask the staff to make a check, and see if that bill can be scheduled for consideration at an early date.

Mr. BARRETT. Very well.

NOMINATION OF MERLIN A. HYMEL TO BE POSTMASTER AT EDGARD, LA.

Mr. JOHNSON of Texas. Mr. President, when the Executive Calendar was called earlier in the day I asked that the nomination of Merlin A. Hymel, to be postmaster at Edgard, La.—a nomination which had been reported adversely from the Committee on Post Office and Civil Service—be passed over, because the minority leader wished additional time to study it.

Since then I have conferred with the minority leader, and I am under the impression that it is agreeable to him to have the Senate act upon that nomination. I wish to confirm that impression. I serve notice that when the Executive Calendar is called tomorrow, action will be taken on that nomination. In the meantime, I shall check with the minority leader.

Mr. ELLENDER. I understand that the vote in committee was unanimous.

ORRIN J. BISHOP—RETURN OF MESSAGE TO THE HOUSE OF REPRESENTATIVES

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives requesting return of the message informing the Senate of the passage of House bill 4249, for the relief of Orrin J. Bishop.

Mr. JOHNSON of Texas. Mr. President, I ask that the Secretary be directed to return to the House, pursuant to its request, the message referred to.

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

RECESS

Mr. JOHNSON of Texas. Mr. President, if no Senators desire to make any further statements, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 23, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 22, 1955:

DEPARTMENT OF THE ARMY

Wilber Marion Brucker, of Michigan, to be Secretary of the Army.

JUDGE, UNITED STATES CUSTOMS COURT

Mary H. Donlon, of New York, to be judge of the United States Customs Court, vice Genevieve R. Cline, retired.

IN THE AIR FORCE

Maj. Gen. Elmer Joseph Rogers, Jr., 294A (major general, Regular Air Force), United States Air Force, for temporary appointment

as lieutenant general, United States Air Force, under the provisions of section 504 of the Officer Personnel Act of 1947, to be assigned to a position of importance and responsibility designated by the President under subsection (b) of section 504.

The following-named officers for temporary appointment in the United States Air Force under the provisions of section 515, Officer Personnel Act of 1947:

To be major general

Brig. Gen. Hugh Arthur Parker, 505A, Regular Air Force.

Brig. Gen. Walter Irwin Miller, AO913582, Air Force Reserve.

Brig. Gen. John Paul Doyle, 274A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Manning Eugene Tillery, 293A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Edward Pont Mechling, 327A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Frank Hamlet Robinson, 336A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Walter Robertson Agee, 413A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Harold Winfield Grant, 497A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Henry Keppler Mooney, 589A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Raymond Judson Reeves, 1082A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Thomas Patrick Gerrity, 1613A (colonel, Regular Air Force), United States Air Force.

To be brigadier general

Col. Leslie Granger Mulzer, AO138777, Air Force Reserve.

Col. John Caswell Crosthwaite, 295A, Regular Air Force.

Col. Robert Scott Israel, Jr., 354A, Regular Air Force.

Col. Edgar Alexander Sirmyer, Jr., 394A, Regular Air Force.

Col. Lawrence McIlroy Guyer, 454A, Regular Air Force.

Col. Donald Philip Graul, 455A, Regular Air Force.

Col. John Coleman Horton, 457A, Regular Air Force.

Col. Winslow Carroll Morse, 515A, Regular Air Force.

Col. William Leroy Kennedy, 517A, Regular Air Force.

Col. George Frank McGuire, 539A, Regular Air Force.

Col. Edward Bone Gallant, 577A, Regular Air Force.

Col. Julian Merritt Chappell, 583A, Regular Air Force.

Col. Edward Nolen Backus, 604A, Regular Air Force.

Col. Robert Lee Scott, Jr., 640A, Regular Air Force.

Col. James Simon Cathroe, 18821A, Regular Air Force.

Col. Robert Edward Lee, 19033A, Regular Air Force.

Col. William Charles Kingsbury, 923A, Regular Air Force.

Col. Charles Anthony Heim, 1033A, Regular Air Force.

Col. Haskell Erva Neal, 1047A, Regular Air Force.

Col. George Bernard Dany, 1061A, Regular Air Force.

Col. Perry Bruce Griffith, 1075A, Regular Air Force.

Col. William Harvey Wise, 1083A, Regular Air Force.

Col. John William White, 1087A, Regular Air Force.

Col. Robert Morris Stillman, 1114A, Regular Air Force.

Col. Thomas Joseph Gent, Jr., 1130A, Regular Air Force.

Col. Dolf Edward Muehleisen, 1144A, Regular Air Force.

Col. Harold Lee Neely, 1161A, Regular Air Force.

Col. John Edward Murray, AO372910, Air Force Reserve.

Col. Emmett Buckner Cassady, 1095A, Regular Air Force.

Col. Cecil Edward Combs, 1203A, Regular Air Force.

Col. Lawrence Clinton Coddington, 1275A, Regular Air Force.

Col. Avelin Paul Tacon, Jr., 1566A, Regular Air Force.

Col. Claude Edwin Putnam, Jr., 1593A, Regular Air Force.

Col. Frank Edwin Rouse, 1595A, Regular Air Force.

Col. William Kemp Martin, 1697A, Regular Air Force.

Col. Ralph Lowell Wassell, 1730A, Regular Air Force.

Col. Horace Milton Wade, 1872A, Regular Air Force.

Col. Joseph Randall Holzapple, 1897A, Regular Air Force.

Col. Joseph James Preston, 1966A, Regular Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 22, 1955:

POSTMASTERS

ALABAMA

Hobson J. Horton, Fort Payne.

ARIZONA

Clarence Mortimer Palmer, Jr., Tombstone.

CALIFORNIA

Owen J. Underwood, Placentia.
Ray F. Hawkins, Vallejo.

GEORGIA

William B. Haskins, Dudley.

IDAHO

Thomas M. Vaughn, Richfield.

INDIANA

Bonita M. Weimann, Laketon.
Lee H. Williamson, Rolling Prairie.

IOWA

Glenn O. Jones, Atlantic.
George R. Helble, Bettendorf.
Allan H. Rohwer, Dixon.
Clarence A. Norland, Marshalltown.
Thursa L. Hinchliff, Minburn.
Ila O. Benge, Pleasantville.
David L. Rundberg, Yale.

KANSAS

Gordon K. Ethridge, Ada.
Wayne E. Rinne, Gardner.
Richard A. Carpenter, Girard.
Everett J. Fritts, Gorham.
Jean D. Fretz, Liberal.
Harold H. Kneisel, Powhattan.

MAINE

Allan Joseph Wentworth, Kittery.

MASSACHUSETTS

Roger H. Hinds, Canton.

MISSISSIPPI

Lealon P. Yarber, Belmont.

NEBRASKA

Norris P. Sensel, Culbertson.
James L. Vrba, Howells.

NEW HAMPSHIRE

Gerald P. Merrill, Pittsburg.

NEW JERSEY

Helen B. Abbott, Alloway.
Helen A. Grod, Hackensack.

NEW MEXICO

Bill Foster, Portales.

NEW YORK

Ida Mae Hopkins, Cincinnatus.
Eva H. Chambers, Dresden.
Ignatius Fafinski, Dunkirk.
William F. Pfarrer, Hilton.
Henrietta B. Heitmann, South Kortright.
John L. Button, South New Berlin.
Leon P. Carey, Woodstock.
Richard M. Hunter, Wappingers Falls.

NORTH CAROLINA

James M. Armstrong, Belmont.

OHIO

Richard J. Phillips, Bowling Green.

OKLAHOMA

Bill M. Penwright, Calumet.

PENNSYLVANIA

William H. Strauch, Cressona.
Charles R. Root, Gillett.
Julia K. Hammond, Lima.

TENNESSEE

Norris Y. Brown, Bullsgap.
Sarah L. Graves, Louisville.
Fred Gentry, McEwen.
Jesse F. Branson, Washburn.
Gettis H. Hudson, Whitwell.

VIRGINIA

Thornton S. Terry, Axton.
Dorothy M. Cliborne, McKenney.

WEST VIRGINIA

Richard L. McDowell, Burlington.

WISCONSIN

Robert R. Smith, Caroline.
David P. Berger, Port Edwards.
Terence P. Arseneau, Washburn.

WITHDRAWALS

Executive nominations withdrawn from the Senate June 22, 1955:

POSTMASTERS

MICHIGAN

Lealie F. Augsbach to be postmaster at Spring Lake in the State of Michigan.

PENNSYLVANIA

Frank A. Bialas to be postmaster at Wilmore in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 22, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, inspire us now with a more vivid sense of Thyself, in whom alone we may find strength for today and hope for tomorrow.

Grant that we may also have a conscience that is more sensitive and alert to the fact of human solidarity and the reality that mankind is one in origin and destiny.

Make us eager to minister to all the members of the human family in their struggles and longings for the blessings of health and happiness.

May it be the goal of all our aspirations to hasten the coming of that glorious day when there shall be peace on earth and good will among men.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communi-

cated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 8, 1955:

H. R. 625. An act to provide for the adjustment of tolls to be charged by the Wayland Special Road District No. 1 of Clark County, Mo., in the maintenance and operation of a toll bridge across the Des Moines River at or near St. Francisville, Mo.;

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

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

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

H. R. 5223. An act to continue until the close of June 30, 1956, the suspension of duties and import taxes on metal scrap, and for other purposes; and

H. R. 5224. An act to amend title 14, United States Code, entitled "Coast Guard," to authorize certain early discharges of enlisted personnel, and preserve their rights, privileges, and benefits.

On June 15, 1955:

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.

On June 16, 1955:

H. R. 5085. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes;

H. R. 5100. An act to amend Veterans Regulation No. 7 (a) to clarify the entitlement of veterans to outpatient dental care;

H. R. 5106. An act to amend the Servicemen's Readjustment Act of 1944 so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing; and

H. R. 5177. An act to authorize the Administrator of Veterans' Affairs to reconvey to Richland County, S. C., a portion of the Veterans' Administration hospital reservation, Columbia, S. C.

On June 21, 1955:

H. R. 1. An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes;

H. R. 891. An act for the relief of Alberto Cortez Cortez;

H. R. 970. An act for the relief of Kyung Ho Park (Syung Sil Park) and his wife, Mrs. Young Sil Lee;

H. R. 1002. An act for the relief of L. S. Goedeke;

H. R. 1401. An act for the relief of Ewing Choat;

H. R. 1487. An act for the relief of Rosa Maria Phillips;

H. R. 1656. An act for the relief of Chen Chih-Keui;

H. R. 1974. An act for the relief of Shirley W. Rothra;

H. R. 2236. An act for the relief of Mary Rose and Mrs. Alice Rose Spittler;

H. R. 3020. An act for the relief of Buonaventura Giannone;

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

H. R. 5089. An act to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, and for other purposes;

H. R. 5398. An act to increase the efficiency of the Coast and Geodetic Survey, and for other purposes;

H. R. 5695. An act to continue until the close of June 30, 1958, the suspension of certain import taxes on copper; and

H. R. 5907. An act for the relief of Albert Woolson.

On June 22, 1955:

H. R. 4359. An act to amend the act of September 30, 1950 (64 Stat. 1096), to provide for the conveyance of certain real property to the city of Richmond, Calif.; and

H. R. 5146. An act to authorize the President to promote Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey on the retired list, to the grade of rear admiral (lower half) in the Coast and Geodetic Survey, with entitlement to all benefits pertaining to any officer retired in such grade.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 232. Joint resolution authorizing the erection of a memorial gift from the Government of Venezuela.

The message also announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4904. An act to extend the Renegotia- Act of 1951 for 2 years.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1894. An act to provide for the participation of the United States in the International Finance Corporation.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1747. An act to increase the public benefits from the national park system by facilitating the management of museum properties relating thereto, and for other purposes.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1956

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5046) 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, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. FOGARTY, FERNANDEZ, LANHAM, DENTON, CANNON, TABER, HAND, and JENSEN.

GENERAL GOVERNMENT AGENCIES APPROPRIATION BILL, 1956

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6499) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ANDREWS, MAHON, SHEPPARD, GARY, RABAUT, SHELLEY, CANNON, FENTON, COUDERT, WILSON of Indiana, JAMES, and TABER.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses may have until 12 o'clock tonight to file a conference report on the bill H. R. 6499.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

MOSES AARON BUTTERMAN

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1085) for the relief of Moses Aaron Butterman, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 10, after "Act", insert ": *And provided further,* That the exemption granted herein 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 SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

WENCENTY PETER WINIARSKI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1660) for the relief of Wencenty Peter Winiarski, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Line 7, strike out all after "fee." down to and including "available." in line 11.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

ORRIN J. BISHOP

Mr. LANE. Mr. Speaker, I ask unanimous consent that the proceedings whereby the House concurred in the amendment of the Senate, to the bill H. R. 4249 for the relief of Orrin J. Bishop be vacated and that the Clerk of the House be authorized to request the return of the message to the Senate notifying them that the House had concurred in the said amendment.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CARL E. EDWARDS

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 947) for the relief of Carl E. Edwards, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 5, strike out all after *"Provided,"* down to and including "enactment" in line 7 and insert "That no benefits other than hospital and medical expense actually incurred shall accrue prior to the date of enactment of this act."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

IS "PRO" BOXING A SPORT OR A RACKET?

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the best of fighters and managers will confide to you—off the record—that the boxing "business" would not look too good if it had to stand up to an investigation.

New talent has a hard time breaking into the "closed circuits" of the big cities.

So many people get to "own a piece of" a promising young fighter, that he begins to resemble a commodity, rather than an athlete.

Mobsters have muscled in on the game, to the detriment of clean sport. Ask the police departments of any large city, who are familiar with the ways and the hangouts of the criminal elements. Fighters and managers who are "on the level" don't like the setup, but what can they do about it? Only an aroused public opinion can save the sport for the boxers and the fans.

The most recent tipoff came with the action of Governor Leader, of Pennsylvania, who suspended boxing operations in his State for 90 days following the strange circumstances surrounding the Johnson-Mederos contest.

It is no secret that this popular sport is under the tight and all-powerful control of a few men who run the game to suit themselves, with little regard for the boxing commissions in the several States, as audiences, through the medium of radio and television, have become national instead of local, it would seem that this professional sport should be subject to Federal control since it has failed to regulate itself.

Monopolistic drives, to put it mildly, have "sewed up" the game.

For this and other reasons, I believe that professional boxing should answer to a searching investigation that will expose every hidden combination and influence.

I, therefore, request that a subcommittee of the Judiciary Committee of the House of Representatives be given specific instructions and adequate funds to conduct a far-reaching investigation of all phases of professional boxing.

INDEPENDENT OFFICES APPROPRIATION BILL, 1956

Mr. THOMAS. Mr. Speaker, I call up the conference report on the bill (H. R. 5240) making appropriations for the sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes and ask unanimous consent that the statement of the Managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 871)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5240) making appropriations for the sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1956, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 10, 17, 18, 20, 22, 37, 42, 47, 49, 51, 54, 58, 59, and 60.

That the House recede from its disagreement to the amendments of the Senate numbered 12, 28, and 52 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$233,000,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$5,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$11,300,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: "$32,650,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$160,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,262,500"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$97,595,500"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$11,600,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$145,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$58,750"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,005,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,125,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,100,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$117,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amend-

ment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "twenty-three passenger motor vehicles, of which twelve shall be"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$263,700"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$5,000,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$8,200,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$81,750,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"General expenses: For necessary expenses of the Interstate Commerce Commission not otherwise provided for, including not to exceed $5,000 for employment of special counsel; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; newspapers (not to exceed $200); purchase of not to exceed forty passenger motor vehicles, of which twenty shall be for replacement only; and not to exceed $330,000 for expenses of travel; $10,437,000, of which $125,000 shall be available for expenses necessary to carry out such defense mobilization functions as may be delegated pursuant to law: *Provided*, That Joint Board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their duties as such.

"Railroad safety: For expenses necessary in performing functions authorized by law (45 U. S. C. 1–15, 17–21, 34–46, 61–64; 49 U. S. C. 26) to insure a maximum of safety in the operation of railroads, including authority to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operation, including those pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906, and the Sundry Civil Act of May 27, 1908 (45 U. S. C. 35–37), and to require carriers by railroad subject to the Act to install automatic train-stop or train-control devices as prescribed by the Commission (49 U. S. C. 26), including the employment of inspectors and engineers, and including not to exceed $163,050 for expenses of travel, $974,500.

"Locomotive inspection: For expenses necessary in the enforcement of the Act of February 17, 1911, entitled "An Act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto", as amended (45 U. S. C. 22–34), including not to exceed $112,620 for expenses of travel, $709,500."

And the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$330,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$60,135,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$12,565,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$120,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$16,000,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,150,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$132,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,955,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the number proposed by said amendment insert "thirty"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$72,500"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$145,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$75,800"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$27,216,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$158,002,000" and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$500,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,600,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert: "$10,750,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$8,200,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$530,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 50, and 53.

ALBERT THOMAS,
EDWARD P. BOLAND,
CLARENCE CANNON,
JOHN PHILLIPS,
C. W. VURSELL,
HAROLD C. OSTERTAG,
JOHN TABER,
Managers on the Part of the House.

WARREN G. MAGNUSON,
LISTER HILL,
ALLEN J. ELLENDER,
A. WILLIS ROBERTSON,
RICHARD B. RUSSELL,
JOHN L. MCCLELLAN,
EVERETT MCKINLEY DIRKSEN,
LEVERETT SALTONSTALL,
WILLIAM F. KNOWLAND,
JOSEPH R. MCCARTHY,
CHARLES E. POTTER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5240) 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, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—INDEPENDENT OFFICES

Alexander Hamilton Bicentennial Commission

Amendment No. 1: Reported in disagreement.

Civil Service Commission

Amendment No. 2—Payment to civil-service retirement and disability fund: Appropriates $233,000,000 instead of $250,000,000 as proposed by the House and $216,000,000 as proposed by the Senate.

Federal Civil Defense Administration

Amendments Nos. 3 and 4—Operations: Authorize the use of $5,000 for the purchase of newspapers, periodicals, and teletype news services instead of $1,000 as proposed by the House and $9,000 as proposed by the Senate; and appropriate $11,300,000 instead of $11,000,000 as proposed by the House and $11,600,000 as proposed by the Senate.

Amendment No. 5—Emergency supplies and equipment: Appropriates $32,650,000 instead of $30,000,000 as proposed by the House and $35,300,000 as proposed by the Senate.

Funds appropriated to the President

Amendment No. 6—Disaster relief: Appropriates $3,500,000 instead of $2,000,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Federal Power Commission

Amendment No. 7—Salaries and expenses: Restores language proposed by the House.

In the language of the proviso pertaining to the furnishing of assistance and information relating to the electric power and gas industries, the committee of conference does not intend to restrict regulatory activities but just the dissemination of information related thereto.

Federal Trade Commission

Amendments Nos. 8 and 9—Salaries and expenses: Authorize the use of $160,000 for expenses of travel instead of $144,250 as proposed by the House and $175,000 as proposed by the Senate; and appropriate $4,262,500 instead of $4,225,000 as proposed by the House and $4,300,000 as proposed by the Senate.

General Accounting Office

Amendment No. 10—Salaries and expenses: Strikes out language proposed by the Senate.

General Services Administration

Amendments Nos. 11 and 12—Operating expenses, Public Building Service: Appropriate $97,595,500 instead of $95,960,000 as proposed by the House and $99,231,000 as proposed by the Senate; and earmark $7,000,000 for repair and improvement of buildings in the District of Columbia as proposed by the Senate instead of $7,500,000 as proposed by the House.

Amendment No. 13—Emergency operating expenses: Appropriates $11,600,000 instead of $10,000,000 as proposed by the House and $13,200,000 as proposed by the Senate.

Amendment No. 14—Repair, improvement, and equipment of federally owned buildings outside the District of Columbia: Authorizes the use of $145,000 for expenses of travel instead of $100,000 as proposed by the House and $190,000 as proposed by the Senate.

Amendments Nos. 15 and 16—Operating expenses, Federal Supply Service: Authorize the use of $58,750 for expenses of travel instead of $46,600 as proposed by the House and $70,900 as proposed by the Senate; and appropriate $3,005,000 instead of $2,890,000 as proposed by the House and $3,120,000 as proposed by the Senate.

Amendments Nos. 17, 18, and 20: Restore language proposed by the House limiting transfers between appropriations or funds in certain items of the General Services Administration.

Amendment No. 19—Administrative operations: Appropriates $4,125,000 instead of $4,000,000 as proposed by the House and $4,250,000 as proposed by the Senate.

Amendment No. 21—United States Post Office and Courthouse, Nome, Alaska: Appropriates $1,100,000 instead of $1,000,000 as proposed by the House and $1,200,000 as proposed by the Senate.

Amendment No. 22: Strikes out language proposed by the Senate. In striking the matter proposed by the Senate relating to tape operated recording and reproducing electric writing machines the committee of conference states that this is a matter subject to definition and the Bureau of the Budget should review the entire subject.

Amendment No. 23—Abaca fiber program: Authorizes the use of $117,500 for administrative expenses instead of $100,000 as proposed by the House and $135,000 as proposed by the Senate.

Housing and Home Finance Agency

Amendments Nos. 24, 25, and 26—Office of the Administrator, Salaries and expenses: Authorize the purchase of 23 passenger vehicles instead of 12 as proposed by the House and 33 as proposed by the Senate; authorize the use of $263,700 for expenses of travel instead of $169,325 as proposed by the House and $358,100 as proposed by the Senate; and appropriate $5,000,000 instead of $4,300,000 as proposed by the House and $6,050,000 as proposed by the Senate.

Amendment No. 27—Reserve of planned public works: Appropriates $3,000,000 instead of $2,500,000 as proposed by the House and $3,500,000 as proposed by the Senate.

Amendment No. 28—Capital grants for slum clearance and urban renewal: Appropriates $50,000,000 as proposed by the Senate instead of $60,000,000 as proposed by the House.

Amendment No. 29—Public Housing Administration, administrative expenses: Appropriates $8,200,000 instead of $8,000,000 as proposed by the House and $8,400,000 as proposed by the Senate.

Amendment No. 30—Annual contributions: Appropriates $81,750,000 instead of $80,000,000 as proposed by the House and $83,500,000 as proposed by the Senate.

Interstate Commerce Commission

Amendment No. 31: Strikes out language proposed by the House and inserts language proposed by the Senate making three separate appropriations for this agency. Item for general expenses as proposed by the Senate is amended to provide for the purchase of 40 passenger motor vehicles instead of 50 as proposed by the Senate, to authorize the use of $330,000 for expenses of travel instead of $358,880 as proposed by the Senate, and to appropriate $10,437,000 instead of $10,583,000 as proposed by the Senate. Appropriations provided total $12,121,000 instead of $11,975,000 as proposed by the House and $12,267,000 as proposed by the Senate.

National Advisory Committee for Aeronautics

Amendments Nos. 32 and 33—Salaries and expenses: Authorize the use of $330,000 for expenses of travel instead of $310,000 as proposed by the House and $350,000 as proposed by the Senate; and appropriate $60,135,000 instead of $56,000,000 as proposed by the House and $63,500,000 as proposed by the Senate.

Amendment No. 34—Construction and equipment: Appropriates $12,565,000 instead of $11,700,000 as proposed by the House and $13,000,000 as proposed by the Senate.

National Science Foundation

Amendments Nos. 35 and 36—Salaries and expenses: Authorize the use of $120,000 for expenses of travel instead of $89,500 as proposed by the House and $150,000 as proposed by the Senate; and appropriate $16,000,000 instead of $12,250,000 as proposed by the House and $20,000,000 as proposed by the Senate.

National Security Training Commission

Amendment No. 37—Salaries and expenses: Strikes out language proposed by the Senate.

Renegotiation Board

Amendment No. 38—Salaries and expenses: Appropriates $4,150,000 instead of $3,750,000 as proposed by the House and $4,250,000 as proposed by the Senate.

Securities and Exchange Commission

Amendments Nos. 39 and 40—Salaries and expenses: Authorize the use of $132,000 for expenses of travel instead of $125,000 as proposed by the House and $138,360 as proposed by the Senate; and appropriate $4,955,000 instead of $4,875,000 as proposed by the House and $4,997,000 as proposed by the Senate.

Selective Service System

Amendments Nos. 41, 42, 43, 44, 45, 46, and 47—Salaries and expenses: Authorize the purchase of 30 motor vehicles for replacement only instead of 20 as proposed by the House and 39 as proposed by the Senate; strike out language proposed by the Senate; authorize the use of $72,500 for expenses of travel, National Administration, Planning, Training, and Records Management instead of $70,000 as proposed by the House and $75,000 as proposed by the Senate; authorize the use of $145,000 for expenses of travel, State Administration, Planning, Training, and Records Servicing instead of $140,000 as proposed by the House and $150,000 as proposed by the Senate; earmark $75,800 for the National Selective Service Appeal Board instead of $75,000 as proposed by the House and $76,700 as proposed by the Senate; appropriate $27,216,000 instead of $26,958,875 as proposed by the House and $27,474,000 as proposed by the Senate; and restore language proposed by the House providing $20,963,700 for expenses of local boards.

Veterans Administration

Amendments Nos. 48 and 49—General operating expenses: Appropriate $158,002,000 instead of $155,000,000 as proposed by the House and $161,004,000 as proposed by the Senate; and strike out language proposed by the Senate.

Amendment No. 50: Reported in disagreement.

Amendment No. 51—Outpatient care: Strikes out language proposed by the Senate.

Amendment No. 52—Hospital and domiciliary facilities: Strikes out language proposed by the House and inserts language as proposed by the Senate.

Amendment No. 53: Reported in disagreement.

Amendment No. 54: Corrects section number.

TITLE II—CORPORATIONS

Housing and Home Finance Agency

Amendment No. 55—Office of the Administrator, housing loans to educational institutions: Authorizes the use of $500,000 for administrative expenses instead of $425,000 as proposed by the House and $575,000 as proposed by the Senate.

Amendments Nos. 56 and 57—Office of the Administrator, revolving fund (liquidating programs): Authorize the use of $2,600,000 for administrative expenses instead of $2,500,000 as proposed by the House and $2,700,000 as proposed by the Senate; and authorize $10,750,000 for nonadministrative expenses instead of $10,000,000 as proposed by the House and $11,500,000 as proposed by the Senate.

Amendment No. 58—Home Loan Bank Board: Authorizes $2,995,000 for nonadministrative expenses as proposed by the House instead of $2,870,000 as proposed by the Senate.

Amendments Nos. 59 and 60—Federal Savings and Loan Insurance Corporation: Authorize $985,000 for administrative expenses as proposed by the House instead of $500,000 as proposed by the Senate; and authorize $90,000 for expenses of travel as proposed by the House instead of $15,000 as proposed by the Senate. The committee of conference is agreed that the increase of $485,000 over the budget estimate shall be used only for making examinations of insured institutions on at least a 12-month basis, and no part

of the increase shall be used for reappraisals of property security underlying loans insured by the Corporation.

Amendments Nos. 61 and 62—Public Housing Administration: Authorize $8,200,000 for administrative expenses instead of $8,000,000 as proposed by the House and $8,400,000 as proposed by the Senate; and authorize the use of $530,000 for expenses of travel instead of $500,000 as proposed by the House and $560,000 as proposed by the Senate.

ALBERT THOMAS,
EDWARD P. BOLAND,
CLARENCE CANNON,
JOHN PHILLIPS,
C. W. VURSELL,
HAROLD C. OSTERTAG,
JOHN TABER,
Managers on the Part of the House.

Mr. THOMAS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

The THOMAS. I yield.

Mr. PHILLIPS. Very briefly, I see in a number of places we refer under the selective-service provisions to the local committees. I take it for granted that it is understood that all provisions include both local committees and appeal boards.

Mr. THOMAS. That is true.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 2 insert:

"ALEXANDER HAMILTON BICENTENNIAL COMMISSION

"For an additional amount for 'Alexander Hamilton Bicentennial Commission,' $15,000: *Provided*, That said appropriation shall be immediately available and remain available until expended."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The SPEAKER. The question is on the motion offered by the gentleman from Texas that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 31, line 11, insert: "*Provided further*, That no part of any appropriation shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of $1 per month for each eligible veteran enrolled in and attending such institution."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The SPEAKER. The question is on the motion offered by the gentleman from Texas that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: Page 41, line 1, strike out:

"SEC. 108. No part of any appropriation contained in this title shall be used to pay the compensation of any officers and employees who allocate positions in the classified civil service with a requirement of maximum age for such positions."

Mr. THOMAS. Mr. Speaker, I move that the House concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 53, and concur therein with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 108. No part of any appropriation contained in this title shall be used to pay the compensation of any officers and employees who allocate positions in the classified civil service with a requirement of maximum age for such positions: *Provided*, That (1) ability and (2) qualifications for employment to such positions shall be the governing considerations."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

(By unanimous consent, at the request of Mr. YATES, the following remarks, made by him later in the day under a special order previously granted him, were ordered to be printed at this point in the RECORD.)

Mr. YATES. Mr. Speaker, I want only to comment on the amendment I offered when this bill was before the House which, in effect, prohibited any agency in the executive branch from refusing employment in the Federal service to a person solely because of his age. The House accepted the amendment, but it was stricken from the Senate bill. The conference report which we bring back to the House today, restores it, and, in my judgment, is a significant and progressive step toward breaking down one of the most unfair and unreasonable employment evils confronting our aging citizens—and that is the much too prevalent practice of refusing to hire a person because his birth certificate says that he was born too long ago.

And what is too long ago? I stated that this is an evil confronting our aging citizens. Is a person an aging citizen at age 35 or 40? Is 36 years of age too ripe an age for a Federal tax collector? Is a woman 35 years of age too old to be a good secretary? The Civil Service Commission thinks so—it has refused to even consider applications of persons beyond these years for jobs of this type.

Early this year my attention was called to the case of a young machinist in St. Louis named Nick C. Mlinarich, who was laid off from his job. In order to qualify for unemployment compensation, he had to show that he had tried to get a job elsewhere. He happened to see a form announcement by the United States Civil Service Commission of an examination for tax collector GS-5. When he applied for the position his application was returned by the Commission with the statement that he did not qualify—that there were minimum and maximum age limits—from 18 to 35. He was prohibited from seeking this job only because he was 36 years old, even though he may have been completely qualified for it in all other respects. He was never given an opportunity to present his other qualifications.

In the New York Times of September 25, 1954, the story appeared of the recruitment of 100 stenographers and typists by the Federal Government, but they must be under 35 years of age. How many of our secretaries are under age 35? Their most valuable quality is experience and knowledge, which only come with years of work and training. And these are not the only cases of barring employment because of age.

Suppose maximum age were a barrier to election to Congress—imagine what would happen to this Congress if there were such a thing as maximum age to our election. Today, no Member of Congress is under 30. Thirteen percent of the Representatives and only 4 percent of the Senators are under 40. If the test used by the Civil Service Commission were used for congressional employment, almost all of us would be out of jobs.

We must face up to the fact that our country is growing older. While the Nation's total population has doubled since 1900, the age group from 45 to 64 has trebled. The number of persons over 64 has quadrupled.

Other figures show that one-third of the country's working force is now over 45; by 1975 about half the population of voting age will be past 45. Does it make sense to recognize as valid an employment practice which refuses to hire so many people solely on account of age?

A few months ago there were 2.8 million persons unemployed. Of these 2 million were age 45 and under; 800,000 were 46 and older. Shortly thereafter, 426,400 unemployed workers found jobs. Of these, 349,600 were 45 and under; 76,800 were 46 and older. What do these statistics show? They show that workers over 45 make up 29 percent of the total unemployed, and that when new jobs open up, only 18 percent of such persons get new jobs.

A man who finds himself out of a job after he has passed his middle forties, or a woman past 35, is in a very tough spot. Unless he has some special skill which happens to be in short supply, he has an exceedingly difficult time getting through the hiring gate. Many concerns have a fixed policy which forbids the hiring of any worker except under special circumstances, who is 45 years of age or over. For a woman, this discrimination is likely to set in some 10 years earlier.

Even when no such fixed policy exists, the prejudice against hiring a middle-aged or older worker is so general that he is more than likely to be turned down. The records show that depending on the kind and skill he possesses, it is from 2 to 6 times harder for a worker in these age brackets to get a job than for the younger man. His period of unemployment between jobs is likely to stretch into many anxious weeks and months. And when finally he does get back on a payroll—if he does—it may be at reduced wage or under circumstances that give him no real job security. For the rest, far too many, after repeated turndowns, give up the struggle and take themselves out of the labor market entirely.

Far too many of our older people are living frustrated and anxiety ridden lives, either dependent on others or

struggling to make ends meet on inadequate incomes. Faced with problems relating to health and medical care, places to live, and the need for recreation, they find life increasingly difficult. We must not deny our fellow Americans a chance to earn their living and maintain their self-respect.

Difficult in employment is only one aspect of the problems of our aging citizens. As a Nation, our immediate task is to provide roles for our older people, which will make use efficiently of their admitted skills and experience, for the good of the community, the Nation, and their own self-respect. We must also determine how best we can aid the communities in providing more adequate health, housing, recreational, and educational facilities geared to the particular needs of our older people. This is a real problem which we must face up to now. Our aging citizens must not become America's displaced persons; and we must also make sure that the essential employability of these older workers is maintained in the event the needs of our defense programs should suddenly demand their services.

All this is imperative in the highest degree. For to the extent that we fail to find ways to remedy this present situation, these older people, and those now approaching their later years, will become an increasing social, medical, and financial burden on their children, their communities, and on the total economy.

In the Independent Offices Appropriations bill of 1952, I offered an amendment, which the Congress accepted, which was designed to take care of just this situation, to eliminate age as the sole test. The Civil Service Commission, even though it knew it was the intention of the Congress to remove its maximum age restrictions, nevertheless continued its frustrating practice on the ground that a person's age was a definite factor in job classification. It used a loophole in the language to avoid the congressional intent. We have corrected that loophole today. The language of this amendment has no loopholes. It states specifically that ability and qualifications are to govern employment to a given position—not age, and it is the specific intention of the amendment not to permit the known qualifications to be used by the Commission as a loophole to again use age as a barrier to Federal employment. We want cooperation, not evasion.

Mr. Speaker, the amendment in this report is a good one. It strikes a real blow at an unreasonable and unconscionable barrier to the right of a person to earn a living. It shatters the concept that a birth certificate should be the exclusive test of a person's ability to work. Ability and qualifications replace age as a test for a Federal job, which is as it should be. I hope that private industry will take note of the constructive measure taken in Federal employment today and will take steps too, to eliminate age as the exclusive test for employment.

The second matter in this conference report, which I want to discuss, relates to the appropriation for the Federal Power Commission. This bill contains every penny that the Federal Power Commission asked not only from the Congress but from the Bureau of the Budget. It is rare that the Bureau of the Budget does not cut the appropriation requests of an executive agency. It made no reduction this year for the Federal Power Commission because the Commission needed all of its funds to deal with the regulation of the natural-gas industry, including the so-called natural-gas producers. The House and the Senate gave the Commission the funds they requested to hire an additional 41 employees for that job of regulating the entire natural-gas industry. The Commission now has no excuse to hamper it. It has the money. It has the approval of the Congress to hire the necessary number of employees for the job. The Supreme Court of the United States has stated specifically that the independent producers of natural gas are subject to the regulations of the Federal Power Commission. I think that the refusal of the Federal Power Commission to take steps to make effective regulations for the natural-gas industry up to the present time is disgraceful. It is about time for it to end its sitdown strike against regulating the independent producers of natural gas and getting on with the job of protecting the public. If the task is too much for the present Commission, they ought to resign and let somebody handle the job who wants to do it and do it properly. If the Commission is waiting for the Congress to change the law to exempt the independent producers of natural gas from regulation, it has a long wait, because I predict that Congress is not going to do it. The public need which prompted the passage of the act in 1938 to protect the public from exorbitant rates is still present and will be recognized by the Congress.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. DIES. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Interstate and Foreign Commerce may be permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may be permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON EDUCATION AND LABOR

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Education and Labor may be permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

COMMITTEE ON AGRICULTURE

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 266 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective from January 3, 1955, the Committee on Agriculture, acting as a whole or by subcommittee, is authorized and directed to make studies and investigations into the following matters:

(1) The restoration of foreign markets for American agricultural products, the development of international trade in agricultural products, and the disposal of agricultural surpluses pursuant to Public Law 480 and Public Law 665, 83d Congress;

(2) All matters relating to the establishment and development of an effective Foreign Agricultural Service pursuant to title VI of the Agricultural Act of 1954;

(3) All matters relating to the development, use, and administration of the national forests;

(4) Price spreads between producers and consumers;

(5) The formulation and development of improved price support and regulatory programs for agricultural commodities; matters relating to the inspection and grading of such commodities; and the effect of trading in futures contracts for such commodities;

(6) The administration and operation of agricultural programs through State and county ASC committees and the administrative policies and procedures relating to the selection, election, and operation of such committees;

(7) The development of the pilot plant watershed projects authorized by the 83d Congress and the administration and development of watershed programs pursuant to Public Law 566, 83d Congress;

(8) The administration, use, and disposition of lands acquired pursuant to title III of the Bankhead-Jones Farm Tenant Act: *Provided*, That the committee shall not undertake any investigation of any matter which is under investigation by another committee of the House.

For the purposes of such investigations and studies, the committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, to make such inspections or investigations, to use such governmental facilities without reimbursement therefor, and to require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary: *Provided*, That hearings and investigations outside the United States shall be conducted only by subcommittees of not to exceed five members and shall be limited to matters enumerated in items (1) and (2) above. Subpenas may be issued over the signature of the chairman of the committee, or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths or affirmations to witnesses.

The committee may report to the House (or to the Clerk of the House if the House is not in session) at any time during the pres-

ent Congress the results of its investigation and study, together with such recommendations as it deems advisable.

With the following committee amendment:

Page 1, line 3, strike out "and directed."

The committee amendment was agreed to.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may need.

Mr. Speaker, this is the usual resolution authorizing the Committee on Agriculture to make certain investigations. It is limited in accordance with the policy announced at the beginning of the session that a committee shall specify in the authorizing resolution the scope of its investigation and limited also in that investigations outside of the United States shall be only for two purposes, the first 2 named in the resolution, and provides that it shall be done by a subcommittee of 5. I know of no objection to the resolution.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. When the resolution was reported, I heard no termination date, no date for reporting to the Congress. Can the gentleman tell us how long this resolution would be in effect and what date is provided for reporting to the Congress?

Mr. THORNBERRY. It is the same as any other general resolution for a legislative committee, just like the one that the gentleman's own committee operates under. It says during this present Congress, the committee shall report the results of its investigation.

Mr. MILLER of Nebraska. I thank the gentleman.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 92]

Andresen, August H.	Gathings	Norblad
Barden	Green, Pa.	Polk
Bass, N. H.	Gregory	Powell
Bell	Gubser	Prouty
Bolton, Oliver P.	Hébert	Reed, N. Y.
Canfield	Heselton	Rivers
Chatham	Holifield	Shelley
Chiperfield	Holt	Short
Coudert	Horan	Smith, Va.
Dawson, Ill.	James	Steed
Dempsey	Johansen	Taylor
Diggs	Judd	Thompson, N. J.
Dingell	Kearney	Tollefson
Doyle	Kearns	Velde
Eberharter	McCulloch	Vursell
Ellsworth	McDowell	Widnall
Evins	Mailliard	Wolcott
Fisher	Meader	Zelenko
	Morrison	
	Mumma	

The SPEAKER. On this rollcall 374 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REPORT OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 194)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a report of the National Advisory Council on international monetary and financial problems submitted to me through its Chairman, covering its operations from July 1, to December 31, 1954, and describing, in accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development for the above period.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 22, 1955.*

COMMITTEE ON AGRICULTURE

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, while the Cow Palace at San Francisco is ringing with praise for the United Nations, I should like to call attention to one important but little known fact concerning this organization.

In his book, In the Cause of Peace, Trygve Lie, former Secretary-General of the U. N. refers to the position of Assistant Secretary-General for Political and Security Council Affairs as the "premier" assistant secretaryship of the U. N.

Lie points out that the man holding that position is entrusted with directing the Secretariat department "most concerned with the preservation of international peace and security" which he (Lie) describes as the "organization's highest responsibility."

Among his many duties, this Assistant Secretary-General serves the Military Staff Committee of the U. N. Security Council. According to the U. N. Charter, the Military Committee advises and assists the Security Council on all questions relating to the Council's military requirements for the maintenance of international peace and security, the employment of and command of forces placed at its disposal, the regulation of armaments, and possible disarmament.

In view of the importance attached to the position by Lie, let us see who has served as the "premier" or top Assistant Secretary-General of the United Nations.

From 1946 to 1949, it was A. A. Sobolev, a Russian Communist. From 1949 to 1953—when Americans were being killed in Korea while fighting under the spiderweb banner of the United Nations—it was C. E. Zinchenko, a Russian Communist. From 1953 to December 1954, it was I. S. Tchernychev, a Russian Communist. And now it is Dr. Dragoslav Protitch, a Yugoslav Communist.

In other words, the top official in the U. N. department "most concerned with the preservation of international peace and security"; the department which serves the Security Council in the "employment of and command of forces—military—placed at its disposal" is today, was during the Korean war, and always has been a Communist.

Let it be remembered that some 35,000 Americans gave up their lives during the Korean conflict; a war which never could have been waged by North Korean and Chinese Communists without the active support of Russia.

And yet all during that war, a Russian Communist sat as the Assistant Secretary-General heading the United Nations organization responsible for the employment and command of U. N. military forces.

Mr. THORNBERRY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I would like to ask someone connected with the committee 2 or 3 questions about this investigation.

No. 1: I think the family-type farm should be given consideration, and I would just like to ask someone who will speak for the committee if the question of the family-type farm as distinguished from the factory-type farm will be given consideration in this investigation.

Mr. COOLEY. Mr. Speaker, if the gentleman will yield, I can assure the gentleman from Texas that consideration will be given to the matter he has mentioned.

Mr. PATMAN. Further, Mr. Speaker, I will ask the chairman if the question of whether or not efficiency on the farm is being pushed and urged and pressed so far that it is probably reacting against the general welfare of all the people.

Mr. COOLEY. Well, I would like to say to my friend that all of our agricultural experts and all the departments of agriculture in all the several States and Territories through all the years have cultivated the art of production and have increased production per unit almost 50 percent in the last few years. Now, efficiency is being emphasized, and the thought I have in mind that the gentleman has in mind is that we have been paying perhaps too much attention to the art of production and too little to the art of distribution and of marketing.

Mr. PATMAN. There is a question as to whether or not it will react against

the family-type farm to the extent that the general welfare is harmed.

Mr. COOLEY. Naturally, if you mechanize all of the big farms of the country, you would plow under the small farms of the country. I might say to the gentleman that I represent a State that has more small farms than any other State in the Union. We have more people living on farms in my State than any other State in the Union. I can assure the gentleman that the chairman of the Committee on Agriculture is very vitally interested in the welfare of the small farmers.

Mr. PATMAN. There are a lot of Members of Congress I know that are interested in the support-price program. Many Members believe that the family-size farmer should be given 100 percent support price on his products, if he goes out in the field and he works and he produces. He is then enabled to go into the market and sell his products or get a guaranty of 100 percent up to a certain amount, enough to give that farm family a decent living; in other words, giving the farm family a decent wage that the farm family works for. That will be considered, I take it.

Mr. COOLEY. I am sure that the welfare of all the small-type farmers will be considered.

Mr. PATMAN. And particularly support prices as they operate against the family-type farm and the factory-type farm.

Mr. COOLEY. Yes.

Mr. PATMAN. I thank the gentleman.

Mr. THOMPSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. THOMPSON of Texas. I should like to assure the gentleman from Texas [Mr. PATMAN], whose interest in the family-size farm is parallel with my own, that the first order of business, the first instructions given to the subcommittee by the chairman of the committee, had to do with the family-sized farm. That will be taken care of over this coming week end.

Mr. PATMAN. I am very much encouraged. I know all Members are encouraged.

I certainly hope this resolution will pass.

Mr. THORNBERRY. Mr. Speaker, I have no further requests for time.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

BAR GRAFTERS FROM GOVERNMENT CONTRACTS

Mr. HOSMER. 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. HOSMER. Mr. Speaker, recent disclosures of irregularities in the purchase of Government uniform caps, although they occurred under a previous administration, indicate a corrective course of action that could well be taken today.

Firms which have been found to have engaged in bribery or other forms of fraud should be barred from Government contracts forthwith.

The investigations referred to have shown that some contractors used gifts and other forms of bribery to get business or make a higher profit. I think it is important to discourage practices of this kind. Dishonesty of this type can undermine our Government.

Recently a Federal court here in Washington ruled that the FHA is legally justified in refusing to grant mortgage insurance to a firm which previously reaped "windfall profits."

The court held that the FHA was not acting arbitrarily in declining to grant a hearing before denying the insurance. It ruled that the refusal was based on "previous unsatisfactory business experience in other transactions."

The same moral issue is involved in governmental contracts, such as the purchase of military supplies, and I believe we can eliminate, or at least, control this form of grafting by barring the grafters from future contracts.

CUSTOMS SIMPLIFICATION BILL OF 1955

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 282 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

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. 6040) to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws, and all points of order against said bill are hereby waived. That 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 Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. 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.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and now yield myself such time as I may desire.

Mr. Speaker, House Resolution 282 makes in order the consideration of the bill H. R. 6040, to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws.

House Resolution 282 provides a closed rule with 2 hours of general debate on the bill itself, and amendments may be offered only at the direction of the Committee on Ways and Means. Points of order are waived.

Mr. Speaker, according to the report on this bill, H. R. 6040 seeks to provide improved procedures for the valuation of imports and the conversion of foreign currency into dollars for the purpose of assessing customs duties.

The bill would change present law so that export value would be the preferred basis of valuation for the purpose of assessing duties. Under the present law either foreign value or export value is used as the preferred basis for valuation in assessing duties, depending upon whether the foreign value or the export value is higher. In other words, under the present law, the higher value is used as the basis for valuation.

H. R. 6040 also redefines certain terms used in the definitions of export value, United States value, constructed value, and American selling price.

The bill also proposes to authorize the Secretary of the Treasury to provide by regulations for the use of the foreign-exchange rate first certified for a particular quarter of a year as long as the rate certified for the day of exportation does not vary by 5 percent or more from the certified rate. This would eliminate the requirement, under present law, that the customs collector check the daily rate for each day's importations.

Section 5 of the bill, as reported from the Committee on Ways and Means, states that nothing in the bill is to be considered as repealing, modifying or superseding any provision of the Antidumping Act, 1921, and in addition requires the Secretary of the Treasury, after consulting with the Tariff Commission, to review the operation and effectiveness of the Antidumping Act and to report to the Congress on this subject within 1 year after the effective date of the bill.

Mr. Speaker, the Committee on Ways and Means asked for the usual type of rule which they feel they need on a bill of this type. The Committee on Rules felt that this was the only practicable method under which H. R. 6040 could be considered, and I urge the adoption of the rule.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 6 minutes to the gentleman from California [Mr. HINSHAW], and ask unanimous consent that he be permitted to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HINSHAW. Mr. Speaker, air transportation between the United States and Mexico presents an extraordinary and sorry picture. Mexico refuses to permit any United States flag carrier to fly nonstop from any major United States city to Mexico City. Instead, this important and lucrative traffic is handled by foreign airlines.

Why is this? Because Mexico insists upon and has a monopoly on certain important United States-Mexico City nonstop runs. Further, it has permitted at least one other foreign airline flying nonstop from the United States to land in Mexico City while denying similar rights to United States carriers.

The fact is that for more than 9 years the United States has been endeavoring to work out on a reciprocal basis a just and equitable bilateral air-route agreement with Mexico. During this period there have been four formal intergovernmental negotiations and almost continuous conferences. All these efforts have failed.

Mexico has based its insistence upon these special privileges on various grounds. Principally it has asserted that the Mexican lines cannot successfully compete with United States carriers on these routes. This is belied by the experience of the carriers of other countries with whom the United States has entered into bilateral air-route agreements.

Mexico has played a game which otherwise would be incredible were it not that governments are involved. They have played upon the sympathy of the United States for small nations to gain their end. Mexico has consistently taken advantage of our unwillingness to deal with her at arm's length, but now she has come to the end of her rope.

While Mexico and the United States have been negotiating for more than 9 years, as I have stated, Compania Mexicana Aviacion—CMA—which started out with the limitation of 3 flights per week from Los Angeles to Mexico City, has grown until today it is flying from 14 to 20 round-trip flights per week between Los Angeles and Mexico City at better than 90-percent load factor. Numbers of times Mexico has urged the United States to lift its limitations on capacity and that if the United States would only lift those limitations, Mexico has assured us that they would very shortly execute the bilateral agreement of the Bermuda type with the United States. Such an agreement would provide among other things reciprocal nonstop flights between Los Angeles and Mexico City. Each time, the United States has accepted the Mexican assurances that the agreement would soon be negotiated and has finally granted unlimited flight service from Mexico City to Los Angeles, but to this day no bilateral agreement has been executed between Mexico and the United States because each time, after our good will has been shown, Mexico has refused to enter upon the bilateral agreement as promised.

As a sop to the United States during this period, an American air carrier from the west coast was granted permission to enter Mexico at El Paso and proceed via Monterey to Mexico City. That is a very indirect route, but DC-6 equipment was used. In 1951 Compania Mexicana Aviacion started using DC-6 equipment on direct nonstop flights from Los Angeles to Mexico City and thereafter the American air carrier flying via El Paso suffered almost a complete loss in that its operation had been short-circuited and it was obliged to suspend operations. The story is practically the same between Middle West, east coast, and gulf coast points.

The CONGRESSIONAL RECORD of yesterday carries an important statement by the distinguished Senator from Louisiana, Mr. ELLENDER. I speak on behalf of the west coast of the United States, as chairman of the California delegation in the House of Representatives, and I am sure California's Members of the United States Senate will concur. California, and particularly southern California, is very close to Mexico in both things of the spirit and things of commerce. The total air traffic between Mexico City and southern California is far heavier than that between Mexico City and any other community in the United States, and, I believe, the foreign world.

It is well known that the United States in its negotiation of Bermuda-type agreements with other countries has refused to sanction either limitations on capacity or agreements for division of traffic. The United States believes and has insisted upon reasonable competition and reciprocal rights so far as air routes are concerned. We have negotiated some 45 Bermuda-type agreements with various countries including almost all of our Latin-American neighbors, but because we have felt so kindly toward Mexico and have wished to be of particular assistance to Mexico because indeed she is our next-door neighbor, we have failed utterly in establishing this very necessary arrangement.

At various times the suggestion has been made that air routes with Mexico should be negotiated on a piecemeal or individual-route basis instead of an overall approach. So to do is clearly unsound. First, it is contrary to the basic concepts of our many bilateral air-route agreements with other nations. Second, it could result in a sacrifice of the interests of one section of the United States in favor of those in another geographical area. Any such result would be intolerable.

The time for action has come. By some means, a fair, just, and equitable overall air-route agreement with Mexico must be negotiated, executed, and become operative, and now. Otherwise the United States can have no choice but to cease permitting Mexican air commerce entry into the United States. The time has come when I, for one, stand ready to recommend such action to our own Government in the event of further dilly-dallying and shilly-shallying by our neighbor to the south. The present situation is ridiculous, and it must not continue.

Mr. Speaker, I ask unanimous consent that the special order granted me for this afternoon be vacated.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the reason I have taken this time is to call the attention of the membership to the remarks of the gentleman from Ohio [Mr. JENKINS], the ranking Republican member of the Committee on Ways and Means, which appeared in the CONGRESSIONAL RECORD, Tuesday, June 21, pages 8906–8909, in regard to certain proposed amendments to the Social Security Act and the letter which the gentleman from Ohio inserted, which letter was received from Mrs. Hobby, Secretary of Health, Education, and Welfare, wherein she set forth at quite some length the reason why it was inadvisable in her judgment, and certainly in my judgment, that we proceed in the Committee on Ways and Means without public hearings on this very important and very comprehensive subject which could cost us an additional $2 billion a year. I trust all Members will read this letter. The Committee on Ways and Means just began meeting yesterday, Tuesday, and the present plans apparently are to close up Friday without any hearings and then go before the Committee on Rules and request a closed rule. That is going to mean, of course, that the membership of the House is not going to be able to follow this matter with the intelligence they should because the Committee on Ways and Means itself will not have so considered it. The gentleman from Ohio [Mr. JENKINS] has stated it:

> Inasmuch as there will be no public hearings on this matter and no transcript, and since it is vital that the membership of the House be kept acquainted with these proceedings of such tremendous significance to the American people—

He is thereby including these matters in the RECORD.

Mr. Speaker, I am going to do the same thing in my extended remarks at this time to bring out further matters and to continue to do so until such time as this matter does come before the House. At the same time I intend to go before the Committee on Rules and ask them to protect the House against what I regard as highly dangerous procedure; to ask at least that there be an open rule on this proposed bill so that the House can debate and consider this matter with some intelligence, even though the Committee on Ways and Means has voted not to pursue the proper and adequate procedures necessary to carefully consider proposed legislation. Indeed, the House cannot with safety rely upon its Committee on Ways and Means in respect to the proposed amendments to the Social Security Act.

Mr. KEAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from New Jersey.

Mr. KEAN. The gentleman mentioned $2 billion to be taken out of the trust fund annually. That is an estimate made by the Social Security Administration, and a great many people feel that it would be at least $2½ billion.

Mr. CURTIS of Missouri. I am glad the gentleman mentioned that. As a matter of fact, those giving the estimates we do have, have said that we do not know and that we cannot know without a great deal more study. That is one of the reasons why this procedure is so highly improper and not conducive to good legislation.

I would like to reemphasize certain points I made during the debate on the rather comprehensive extension of the social-security program in the 83d Congress. These remarks appear in the CONGRESSIONAL RECORD of June 1, 1954, beginning on page 7450.

I tried to point out the peculiarity of social-security legislation as it relates to the committee system of the Congress. Most programs as we all know go through two basic sifting processes before they become operative. The matter is first referred to the legislative committee which goes into the merits of the program and decides whether or not the program should be authorized. If the program is authorized, then the same program must go before an entirely different committee composed of different personnel for an appropriation. Finally, of course, all programs must have the money to pay for them and a third and entirely different committee is assigned to the job of determining ways and means of getting the money to pay for the programs.

In the case of social-security legislation one committee acts as legislative committee, appropriations committee, and ways and means committee. The basic committee system is bypassed.

It becomes doubly important that this single committee having been given the power of three committees on this basic piece of legislation, exercise great caution in its consideration of proposed changes to it.

Any committee which requests a closed rule of the Rules Committee should be able to truthfully state that in considering the proposed legislation upon which a closed rule is requested the greatest amount of study and care was taken. A closed rule will undoubtedly be asked for in the case of this proposed legislation. And how, indeed, can the Ways and Means Committee properly satisfy the Rules Committee or the House that it has taken proper care and made proper studies on a matter which will cost from two billion to two billion and one-half dollars annually for as many decades as we can see ahead in the future, when no public hearings were held? When the basic decision of what was to be done was made in a caucus of the members of one political party and the votes taken in committee from thence on were voted according to the binding of the political caucus?

I wish that pleas were of some value in the partisan atmosphere in which we seem to be trying to legislate. I would plead with the majority leadership of the House as well as of the Ways and Means Committee to desist from their present course of action. It is this kind of legislating which undermines the very structure of our Congress. It is extremely important in these days that we be building up rather than tearing down the power, the dignity and respect of the independent legislative body. As many political philosophers have pointed out time and again it is the strength of the independent legislative body responsive to the people which is the basic bulwark of any free society.

There are many issues of great importance where we can properly draw political lines, and in my judgment where we should draw political lines. In fact it is entirely possible that there are basic differences of opinion on how is the best way to adequately care for the old and disabled people of our society which could properly become political issues. However, at this stage of the proceedings what differences there may be cannot even be drawn out because of the procedures being followed in pushing out this legislation without proper study or consideration.

I suppose the political theory of those who conceived this movement is to try to make it appear that their political opponents are not interested in the welfare of the old people and the disabled. They count on the fact that it is hard to get across to the people of the country that the matter can be one of proper procedure calling for proper study and not one of whether substantively one is for or against the objectives of the proposals.

Yet, those who will courageously stand up for proper studies and considerations are truly the ones most concerned about the welfare of these peoples. Hasty legislation is apt to be bad legislation defeating the very objectives sought to be attained. This social-security program can be wrecked, if indeed it has not already got within it the very seeds of its own destruction. And what will wreck it for sure is just this kind of cheap politics. The social-security program is too much a vital part of our social structure to tamper with idly.

In this atmosphere charged with politics I want to remind my colleagues on the other side of the aisle that there are 15 different proposals for liberalizing the present social security program, each being pushed by the special groups concerned. I am going to set out one as an example with some reference to the Republican position on it. Under the present social security system, an individual below age 72 who is otherwise entitled to benefits suffers a loss of those benefits if he earns over $1,200 a year. This provision is the so-called "work clause". The limitation has come under frequent attack. Many believe that it operates to prevent our older people from continuing in gainful employment, and that it is directly contrary to the American tradition of encouraging our people to provide for their own security through their own efforts.

The Republican Party has played a major role over the years in liberalizing this restrictive provision. In 1952, the Republican members were largely responsible for increasing the allowable amount of earnings to $75 a month.

Last year, the new Republican social security law increased the amount to $1,200 a year. There are now about 20 bills which have been introduced on both sides of the House to provide further liberalization of the work clause.

I am sure that the membership of the House as well as millions of social security beneficiaries will be interested to know that yesterday, June 21, the Democratic majority of the Committee on Ways and Means rejected by a strict party vote a Republican motion to hold public hearings on liberalization of this discriminatory restriction as well as on 14 other aspects of liberalizing the social security program.

Now, indeed, how will we pay for the added $2 billion of annual cost which the 3 extensions being proposed will bring? By putting in a provision to increase the social security tax 20 years from now, as we did last year in the Social Security Extension Act? Indeed, let us remember that last Congress was the first Congress which had the courage to permit an increase of tax written into the social-security law to go into effect. All Congresses before had passed legislation to keep the tax increases from taking effect. How many Congresses in the future will have the courage to let the tax increases come about?

The test is here at hand. This Congress seems quite ready to vote for these increased benefits, which undoubtedly on their face are fine and desirable, but will this Congress pass a tax increase to go into effect in 1956 to pay for these benefits, or will it write into the law an increase which will face a future Congress in the hopes that that later Congress will let the increase be effective? I suggest that if the Congress which votes the benefits and has the political credit for doing that popular thing has not the courage to do that which will not be popular—increase the tax—then the Congress in the future which has only the unpleasantness facing it will not do it.

I do not want to appear melodramatic in my remarks, but I must remind everyone that the political philosophers of the 18th century argued that no democracy could long survive, because if you put into the hands of the people themselves (or their direct representatives) the purse strings of the society they will spend themselves out of existence. For a century and a half this Nation has stood up and proven these pessimists to be wrong. But as Abraham Lincoln said, and he was well aware of the predictions of these prophets of doom, in regard to a similar crisis, "We are testing whether this Nation or any nation so conceived and so dedicated can long survive." And 150 years is a short span in the history of mankind and its governments.

Of course, I think we will survive the test. I am not so certain that those persons presently making up this 84th Congress will meet the test, although I hope they will. The reason I think we will survive the test is because I believe the American people are way ahead of this shoddy thinking going on right now, and they will see to it sooner or later, 2 years, 4 years, or 10 years—I don't know how soon—but sooner or later they will see to it that they have representatives who can and will stand tests of this sort.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, little did I realize 2 months ago when I faced my colleagues in the House in their vehement protest against gag-rule procedures on H. R. 1, the extension and amendment of our Reciprocal Trade Agreements Act, that I would be here opposing a gag rule on this legislation. I am surprised to find the advocates of free trade, the proponents of selling American small industries down the river, back here again with a proposal to gag the Members of the House of Representatives by imposing a closed rule on the consideration of this legislation. Even the title to the legislation is misleading and an insult to the intelligence of the Members of this House, because the two things it says are the purposes of the bill are not the purposes at all.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Illinois.

Mr. MASON. Instead of a customs simplification bill, this should be called a customs complication bill.

Mr. BAILEY. I would say to the gentleman that it is going to be quite harmful to all of those foreign products that are brought into this country on which we have an ad valorem duty assessment. That will cover the glass industry, the pottery industry, and the chemical industry.

I would be remiss in my duty if I did not protest this kind of procedure to solve a question which, if it is passed by this House, will add to the misery of the State of West Virginia, where six of our products are already hit. Now the second largest industry is the chemical industry, and it is going to injure the chemical industry more than any other project subject to competition with foreign imports. Yet, they are trying to ram it through under a closed rule.

I appeared before the Committee on Rules yesterday and asked for a modified rule that would permit us to offer one amendment that would be to strike section 2 out of this bill. I think I can assure you that if we succeed in striking section 2 out of this bill they will not want to go ahead with the passage of the bill. They are not caring anything about simplification. That does not mean anything at all. It is another method to destroy the small industries of these United States, and I am opposed to it.

I do not know that I shall bother to delay the business of the House by demanding a rollcall on the rule, but I most certainly propose to take some of the time in debate, and I propose to support the motion of the gentleman from Pennsylvania to recommit this bill and strike out section 2. If you are in any way interested in protecting the pottery, glass, and textile industries, and the chemical industry, you will rally to the support of the gentleman from Pennsylvania to recommit this bill and take section 2 out of it.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I should be glad to yield.

Mr. MASON. Does not the gentleman think, with a bill as far reaching as this affecting so many industries in this Nation, we ought to have a quorum present when we discuss it?

Mr. BAILEY. We should have a quorum present, and we certainly should not suspend ordinary legislative procedures and ram a bill of this importance to the industry of America down the throats of some supposedly intelligent Members of Congress.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. HOFFMAN of Michigan. If we keep on having rollcalls and quorum calls how can we adjourn over Friday, Saturday, Sunday, maybe Monday, and not get back until Tuesday?

Mr. BAILEY. I do not know anybody responsible for more rollcalls and quorum calls than the gentleman from Michigan himself.

Mr. HOFFMAN of Michigan. Is the gentleman congratulating me?

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I rise in opposition to this rule. As I understand, it is a closed rule and, as my colleague from West Virginia well stated, this will prevent any amendment to strike out section 2 which is the heart of the bill.

Many of us must oppose this bill with section 2 in it, especially those of us coming from textile and rubber districts.

This starts an entirely new procedure in the fact that it establishes what is known as an export valuation. It interferes with some of our present legislation, and to me as the bill now stands, Mr. Speaker, it is bad legislation; and I am hopeful, knowing that the rule will be passed because there are not enough votes to change it in any way, that when a motion to recommit the bill with instructions is offered, we can have sufficient support against this bill so that it may be recommitted with instructions to strike out section 2. It is that section of the bill that continues to do harm and to injure our domestic industry.

This bill, Mr. Speaker, seeks to repeal certain obsolete provisions of the customs laws which, in of itself, is commendable, but the bill goes much further. It proposes changes in the methods of determining the dutiable value of products which is most brazen and drastic, the most flagrant of which would be the transferring of the power to determine the valuation of these items to foreign exporters. The proposal in this legislation to substitute export value for the present foreign value as a basis of assessing ad valorem rates of duty is objectionable for the reason that it invites discrimination in practices in international trade.

It will be an invitation of course to allow the exporter to set a price for exportation to the United States, which may not be the price to other nations. These prices might be much lower as offered to the United States than those offered to other countries and could be lower than the prices charged for the same products at home.

This legislation would run afoul of the present law in that it would interfere with the Antidumping Act of 1921 and the countervailing duty section of the Tariff Act of 1930. It would tend to nullify the provisions of both of those laws that have been on the statute books for so many years. It has been the general complaint of other countries doing business with the United States that there is a great deal of uncertainty in our custom laws and under the controversial section 2 of this present bill there is no doubt in my mind that this legal phraseology will add further to uncertainty.

In its present form; Mr. Speaker, H. R. 6040 would further lower tariffs on several items, which will affect severely our own domestic industries. With the passage of H. R. 1 that legislation will be most harmful to our domestic manufacturers and by passage of this bill the same industries will be further affected. I have in mind particularly those industries mentioned at the time of the hearings on this bill before the Committee on Ways and Means on May 23 and 24, 1955, when several statements were made in opposition primarily to section 2. The chemical industry, the crockery industry, the rubber industry, the textile industry, and countless other domestic industries are most fearful that the passage of this bill will subject these industries to damaging price pressure from imports through hidden effective tariff reductions. Since under the rule the bill cannot be amended to strike out this bad section; namely section 2, I am hopeful that the motion to recommit with instruction striking out this controversial section will prevail, so that our own domestic industries may be helped in their struggle for existence and that our people may have the opportunity to be retained on their jobs in those industries and not legislated out of employment by lower tariff rates which invite still competition.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. COOPER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6040), to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6040), with Mr. BURNSIDE in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Tennessee [Mr. COOPER] will be recognized for 1 hour and the gentleman from Ohio [Mr. JENKINS] for 1 hour.

The gentleman from Tennessee is recognized.

Mr. COOPER. Mr. Chairman, I yield myself 23 minutes.

Mr. Chairman, H. R. 6040 is designed to provide improved procedures for the valuation of imports for the purpose of assessing duties and for the conversion of foreign currencies into dollars. In addition, the bill repeals several obsolete sections contained in the present customs laws.

I introduced this bill at the request of the administration. My distinguished friend and committee colleague the gentleman from Ohio, the Honorable THOMAS A. JENKINS, introduced a companion bill, H. R. 6041, to the one that is before us today. The President in his foreign economic policy message to the Congress of January 10 of this year stated, "the problems of tariff classification, of proper valuation of imported articles, and of procedures for administering the customs laws are complex and perplexing. Over the years these problems have grown to the point where they now constitute an unwarranted and unintended burden on trade."

The Committee on Ways and Means received favorable departmental reports from the Departments of State, Interior, Commerce, and Agriculture. In addition, representatives of the Department of the Treasury appeared before our committee in public hearings and executive session to urge enactment of H. R. 6040.

The State Department in its report urging enactment of this legislation stated:

> Representatives of foreign governments have indicated that uncertainty and delays created by United States valuation procedures are one of the most important single barriers which their businessmen face in trying to do business in the United States. Foreign exporters, as well as American importers, have indicated that improvements in valuation procedures are the most important and most-needed reforms in the whole area of simplification of United States customs administration.

The Department of Agriculture in urging the enactment of this legislation stated:

> The general effect of the present proposals we believe would be to reduce the possibility of overvaluation of imports, and consequently of assessment of duties at higher levels than necessary or intended under the Tariff Act, and to simplify the procedures for valuation.

This report further stated:

> The amendments proposed in H. R. 6040 and H. R. 6041 should liberalize our import trade procedures and thus make possible increased earnings of dollars by countries which we know can absorb more of our agricultural products.

Government experts have devoted years to studying ways in which our valuation procedures for the purposes of assessing duty could be revised so as to bring about greater speed in administration, increased certainty with respect to valuation, and more commercial realism in our customs laws. The Committee on Ways and Means has spent a considerable amount of time in this study and considered legislation along these lines in the 82d and 83d Congresses. In the 83d Congress our committee twice reported and the House twice passed a bill which would substantially have accomplished the same major purposes as the pending bill. When the first bill, the Customs Simplification Act of 1953, reached the Senate, the Senate Committee on Finance deleted the provisions contained in this bill due to the fact that it desired to hold public hearings and give more consideration to the proposed changes in our customs valuation bases and procedures for conversion of currency. The gentleman from Ohio [Mr. JENKINS] then introduced another bill which included substantially the same provisions which the Senate had deleted and the House passed the second bill as introduced by the gentleman from Ohio [Mr. JENKINS]. In this Congress our committee has again held full hearings on these amendments.

I will now comment briefly on the various sections of the bill.

SECTION 1—EFFECTIVE DATE

This act would be effective on and after the 30th day following the date of enactment.

SECTION 2—VALUE

Section 2 is the core of the bill. It deals with the valuation of imported merchandise for the purpose of assessing duties. It would make export value the primary basis for such valuation. The changes relating to valuation cover only imported merchandise which is subject to ad valorem rates of duty—that is, a determination of duty as a percent of the valuation of the goods. At the present time our primary method of valuation is either foreign value or export value, whichever is the higher. Foreign value is the going wholesale price in the country of origin for domestic consumption in that country. Export value is the going wholesale prices of goods for export to the United States.

The bill would eliminate foreign value and make export value the primary basis of valuation for customs purposes. The administration of foreign value as a basis for valuation has been difficult—a source of dissatisfaction to the Customs Bureau and to importers and a source of considerable annoyance to foreign countries. Foreign value is very difficult to establish in many cases because of the necessity for investigations in the foreign country involved in order to ascertain such value. In addition, the courts have given very restrictive interpretation to the statutory definition in present law of this method of valuation. It has often happened that appraisement of goods has been withheld for many months and sometimes for years awaiting the results of a foreign investigation. These investigations and delays have resulted in considerable cost to the Government, as well as considerable annoyance and financial loss to the importing trade.

The elimination of foreign value and the substitution of export value as the primary basis for customs valuation is expected to greatly expedite appraising imported merchandise and to considerably reduce costs of administration. The principal advantage of adopting export value as the primary basis of valuation is the elimination of a necessity for customs appraisers to make parallel investigations of export and foreign values to determine which is higher. In most cases all the information needed in order to determine export value can be found in the United States.

There are some who would lead you to believe that making export value the primary basis for valuation substantially reduces protection for domestic producers. This is not so. The whole purpose of this bill, as I have recited above, is to simplify and make more efficient our customs procedures which in themselves were never intended in any way to form a wall of protection against imports.

In the process of bringing about commercial realism in our valuation methods through the changes contemplated by this bill, there is only a very small reduction in dutiable value and revenues collected from duties. In 1954 our total imports were just under $10.5 billion. Of that amount, $5.8 billion were nondutiable and, of course, not affected in any way by this legislation. About $3.3 billion of our imports are dutiable on the basis of specific duties. These are not affected by H. R. 6040 since this bill relates only to those duties which are assessed on an ad valorem basis. Ad valorem imports in 1954 were $1.411 billion. This is the area to which the proposed changes in valuation bases relate, and the decrease in valuation of these imports proposed in this bill is only 2.5 percent, or a total valuation of $1.376 billion compared to $1.411 billion under present law in 1954. The effect on custom duties collections in 1954 would have been, had this legislation been law, a decrease of 2 percent in duties collected or a reduction from $259 million to $254 million. As I have already stated, there would have been some offsetting savings in the cost of administration and certainly much greater efficiency of administration.

It is true that the changes in the basis of valuation in the case of a few commodity groups affect their valuation in a rather substantial manner. For example, in the case of the commodity group including drugs and herbs, the appraised valuation in fiscal 1954 would have been decreased 16 percent. However, in this case, our total imports in 1954 were under $15 million. The effect runs from this high of 16 percent to a low of nothing for several commodity groups. The average effect on the valuation of all commodity groups is a percentage decrease in appraised value of 2.5.

The only concern which could have any basis in fact is not the figures of appraised value which I have been discussing but the measure of the extent to which this legislation would indirectly affect protection. On this basis the sample study made by the Treasury Department indicates that applying the percentage reductions in valuation to the average duty applicable to each of the commodity groups, the groups most affected—that is, those in which the effect on valuation would be 4 percent or more—the average effect on the duty-paid cost of the goods would be 1.1 percent. This would range down to an effect of two-tenths of 1 percent on duty-paid cost in the groups least affected. The average for the whole would be one-half of 1 percent of duty-paid cost. This

average indicates that the overall effect on duties is almost negligible.

Even though, as I have pointed out, there was never any intent that customs procedures should afford protection, to placate the concern which some persons have manifested about these proposed changes in the past, a safeguard provision was inserted in the bill. Section 2 (e) makes it mandatory that full consideration be given to any reduction in the level of tariff protection "which has resulted in or is likely to result from the amendment of section 402, the value section, of the Tariff Act of 1930 made by this act in any action relating to tariff adjustments by executive action." This means that in peril-point, escape-clause, and any other proceedings relating to tariff adjustments, the Congress would be directing that full consideration be given to any reduced protection as a result of enactment of this bill.

Having disposed of the so-called tariff impact of section 2, I would now like to discuss other import aspects of this valuation provision that will do much to simplify our customs procedures and lend certainty thereto.

Under present law where neither export value nor foreign value can be determined, subsidiary bases for valuation are provided with the next in order of preference being United States value followed by cost of production if United States value also cannot be determined. In certain specific cases goods are valued on the basis of American selling price. The bill retains all of these alternative bases. However, it does rename the "cost of production" basis by calling it "constructed value."

In addition, the bill redefines certain terms used in the value provisions of our customs laws.

In the definition of "export value," which follows substantially the definition in present law, an amendment is made so as to provide that actual sales as well as offers for sale might be considered. The present language reads, in prescribing how export value shall be determined, that the value shall be considered "at which such or similar merchandise is freely offered for sale." This would be changed to read "at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale." In substance, this makes no change in present procedures, because actual sales are now considered.

The language "sold or, in the absence of sales," is also added in the definition of "United States value" for the same reason that it is inserted in the definition of "export value." The definition of "United States value" essentially follows the existing definition contained in present law. The present law provides arbitrary limits with respect to the percentages to be deducted for commissions, 6 percent; profits, 8 percent; and for general expenses, 8 percent. The new version provides for the following allowances: First, any commission usually paid or agreed to be paid or the addition for profit, and general expenses usually made in the principal market of the United States on imported merchandise of the same class or kind as the merchandise undergoing appraisement; second, the usual costs of transportation and insurance, and the other usual expenses incurred with respect to such or similar merchandise from the place of shipment to the place of delivery; and third, in addition to the present allowance for duty an allowance for other Federal taxes.

As I indicated earlier the "constructed value" basis would be substituted in H. R. 6040 for the "cost of production" basis provided in present law. The name of this method of valuation is properly changed to "constructed value" because this basis of valuation is not simply a matter of cost of production but is instead the method of valuation which has for its purpose the construction of a dutiable value beginning with the cost of materials and manufacturing processes and building up to the nearest equivalent of what the dutiable value would be if the primary basis of valuation were ascertainable. In determining the cost of materials there would be excluded any internal tax which was remitted or refunded upon the exportation of an article produced from the materials subject to such a tax. The unrealistic arbitrary percentages provided in present law for general expenses (not less than 10 percent of the cost of materials and fabrication of the article), and profit (not less than 8 percent of the sum of cost of materials and fabrication and of the usual general expenses) are abandoned. In lieu thereof it is provided that the usual general expenses and the usual profit with respect to the merchandise of the kind undergoing appraisement would be included in the determination of "constructed value."

The definition of "American selling price" as provided in H. R. 6040 follows generally the definition contained in existing law with certain minor changes. As in the case of "export value" and "United States value" the language "sold or, in the absence of sales" is inserted before "offered for sale" in the definition. The language "to all purchasers" contained in present law is deleted. The reason for this deletion is that the term "all purchasers" in the present statute has been interpreted as meaning "all" in a sweeping literal sense. These words have caused considerable trouble in administering the valuation statute and the meaning ascribed to them by the courts does not comport the actual conditions under which a large part of the commerce of the world is conducted. This judicial construction has caused the departure from the concept of valuation of the United States as being predicated on transactions at the wholesale level. The judicial construction is impractical in the face of actual business realities and would be corrected by this legislation.

In addition, the valuation section of H. R. 6040 would provide definitions of certain significant phrases used with respect to valuation which have been the subject of a century of litigation. Two of these definitions are designed to overcome the controlled market doctrine developed by the Customs Court, which has had the effect of precluding the use of the primary method of valuation in a great number of cases. As interpreted by the courts, our valuation laws have failed to keep abreast of the developments of modern commerce. The definitions prescribed in H. R. 6040 recognizes accepted modern-day conditions and practices in commerce and will greatly increase the opportunity for use of the primary method of valuation in determining dutiable value of imported merchandise.

Section 2 of H. R. 6040 is essential to our objectives of achieving customs efficiency, expedition and certainty. The changes proposed by this section will permit a speedier processing of customs entries because of the elimination of the need for many time-consuming investigations abroad. It will eliminate many of the uncertainties in valuation and the unexpected results which sometimes prove disastrous to importers. It will make the alternative valuation bases more nearly equal in money amounts and thus substantially remove both the incentive and the opportunity for the creation of special practices designed to obtain the most advantageous valuation standard.

SECTION 3—CONVERSION OF CURRENCY

Present law provides for a quarterly proclamation of the valuation of foreign coin on the basis of metal content. Conversion of foreign currency valuations for customs purposes is made at the gold coin parity unless such parity varies by more than 5 percent from the buying rate for the currency in the New York market as certified by the Federal Reserve Bank of New York. In cases where there is no proclaimed rate for the currency in question or if the proclaimed rate does vary by more than 5 percent from the New York buying rate, then customs collectors are required to convert foreign currencies at a certified daily rate. The result of present law is that in most cases the daily certified rates are used. As a consequence each collector is required to check the daily rate for each day's importations since those rates, which are certified to 6 to 8 decimal places, are subject to frequent although minor variations.

The changes proposed in H. R. 6040 to currency conversion procedures in our customs laws will permit more efficient currency conversion operations. The Secretary of the Treasury is given the authority to continue for a 3-month period to use the rate of exchange first certified by the Federal Reserve Bank of New York so long as the rate certified for any period does not vary by 5 percent or more from such first certified date. This change will eliminate the effect of present law which requires each customs collector to check the daily rate for each day's importations. In the committee report which accompanied H. R. 6040, the Committee on Ways and Means has specifically stated that this change in law should in no way be construed to indicate an approval of the use of multiple exchange rates.

SECTION 4—REPEAL OF OBSOLETE PROVISIONS

This section might be termed a "clean-up" provision in that it repeals a number of obsolete sections of the tariff laws. The Committee on Ways and Means was

assured by Treasury representatives that these repeals do not affect any present operations, duties, or obligations of the Customs Bureau. This section will, however, make an important contribution to the simplification and clarification of the customs laws. A detailed description of the changes which will be made by section 4 of H. R. 6040 may be found in the record of the printed hearings of the Committee on Ways and Means and the committee report which accompanied this legislation.

As I previously indicated, H. R. 6040 embodies the recommendations of the President of the United States for simplification of our customs procedures. The departments of the executive branch of our Government have supported the enactment of this legislation. The Committee on Ways and Means has given careful study to this legislation in public hearings and in executive sessions. It is my personal view that the enactment of this bill will make an important contribution to easing trade relations with other countries. I respectfully urge my colleagues in the House to join me in voting for the enactment of the Customs Simplification Act of 1955.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Ohio.

Mr. JENKINS. Is it not true that the saving in time and the saving in terms of facility for millions of people who deal in this kind of business would more than compensate for the decrease in appraised value?

Mr. COOPER. The gentleman is correct that the savings would tend to offset the loss in duty collections.

Mr. VORYS. Mr. Chairman will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Ohio.

Mr. VORYS. Is not this bill for customs simplification in line with the recommendations of the Randall Commission on which the gentleman and I served?

Mr. COOPER. The gentleman is correct.

Mr. VORYS. It seems to me it is decisively along the lines of our recommendations, and I am happy to support it.

Mr. COOPER. That is correct.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from West Virginia.

Mr. BAILEY. May I ask the distinguished gentleman from Tennessee, when you were drafting this legislation setting forth the objects of the legislation—and the title of the bill is, "A bill to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws"—why did you not take the Members of the House into the confidence of the committee and tell them you were proposing to change the valuation from the foreign value to the export value, and that it would probably affect the import duties on goods coming into this country?

Mr. COOPER. The gentleman is just mistaken as to the purpose of the bill. There are many provisions in the bill. It runs to 16 pages.

Mr. BAILEY. It does not settle the matter to say I am wrong. Maybe I am wrong sometimes. But I just recall the comments of the gentleman from Ohio as to how useful this legislation would be to importers and how much it would cut down the expense of Government. I am asking this question: Are we legislating for the importers of this country or are we legislating to cut down jobs in the Treasury Department or the State Department or other jobs? We are legislating for the welfare of the American people and to protect American industry.

Mr. COOPER. That is exactly what we are doing. We are legislating for the welfare of this Government and the people of this country.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. BONNER. With reference to the term "export value" to the United States; is there any difference between the export value to the United States and the export value to any other country.

Mr. COOPER. In general, no; that is true.

Mr. BONNER. Do I make my question clear to the gentleman?

Mr. COOPER. Yes, I understand.

Mr. BONNER. For example, if Czechoslovakia shipped goods to the United States and placed an export value on it and then Czechoslovakia shipped to South America, would there be a difference in the export value?

Mr. COOPER. Of course, the main thing we are interested in is the value of the goods coming in to this country.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. BONNER. Mr. Chairman, will the gentleman yield himself further time to answer my question?

Mr. COOPER. Mr. Chairman, I yield myself 1 more minute because the balance of the time has been promised to other Members.

Mr. BONNER. I certainly do not want to indulge too much on the gentleman's time, but I think I have a right to ask certainly a fair question. Is there a differential in the export value to this country and any other country?

Mr. COOPER. Rarely ever except where there are good reasons for a difference—sometimes there might be. As I stated we are interested in the export value to us. Good business practices, such as quantity purchases, may vary from country to country and affect the price.

Mr. BONNER. The gentleman says rarely, but is there? That is all I want to know.

Mr. COOPER. I do not know—some countries may have a two-price system. I invite your attention to page 5 of the report and the letter from the Department of State on this subject.

Mr. BONNER. Does the gentleman mean that the country that we are going to give this advantage to would have two prices? There is too much of that going on now, may I remind my dear friend.

Mr. COOPER. No, that is not the intention and it not the purpose of this legislation at all, as the report states.

Mr. BONNER. But the gentleman does not give us any assurance that there is a firm export value as to any particular country that we import from.

Mr. COOPER. In general, that is true. That is the true situation.

Mr. JENKINS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I appreciate that this bill comes before us under rather unusual circumstances and in a rather unusual atmosphere. We find this situation: That the leader of this debate on the Democratic side speaks my piece exactly and I speak his piece exactly. We agree fully because we both represent the position taken by the Committee on Ways and Means. This great committee recommended the passage of this bill by almost a total vote. Only two voted against reporting it out.

I would like to talk with you just a little with reference to the necessity for this legislation. I daresay that of the Members here, except those who come from the big coastal cities, very few have ever been in a customhouse. I daresay very few of us have ever had any direct business with a customhouse. It is a great and colossal business. I remember a little incident that happened in the Committee on Ways and Means a number of years ago, along about the time I became a member of the committee. You know the Committee on Ways and Means has never been on a junket anywhere. I am not condemning junkets; but the Ways and Means Committee, in spite of its thriftiness, once got up enough spirit to vote a junket for themselves. They realized just what I have already said, that none of them knew anything about customhouses. So they passed a resolution that provided a sum of money sufficient to pay their expenses if they would all go to Baltimore or Philadelphia to see a customhouse. The clerk of the committee spent $1.50 for something by way of preparation, and that was all that was spent, and the committee did not take that junket, and as far as I know they have never taken any trip yet.

This case really calls for action, because there are about 8,000 people working for the Government in the customs service in all parts of the world. There are many thousands of dollars invested in the facilities to carry on this work, and it produces millions of dollars of income for the Government. It is something that we should not neglect. It merits our best treatment.

We have no customhouses in my district. Naturally a lot of our products go out of the country and a lot of products come into our districts. I introduced two bills which passed the House in the last Congress. They went to the Senate and were stalled there for some reason or other. But the necessity for this legislation has remained and is still with us. For instance, the rate of exchange of currency used between purchasers and sells in different countries is an important subject. This bill facili-

tates the determination of currency rates and, thus, facilitates the job of the customs appraisers.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to my distinguished friend.

Mr. MASON. On the question of the necessity for this bill, we passed a customs simplification bill in 1953 and 1954. As a result of that, 700,000 backlog cases have been cleared from the docket, and the docket is practically clear now.

So the necessity for this has been practically wiped out by the previous bills we have passed.

Mr. JENKINS. In spite of what the gentleman says, that is just not the true situation.

Mr. MASON. Well, that is the testimony of Mr. Rose who carries this out.

Mr. JENKINS. No. That is not the case at all. I should invite the gentleman to look at the record.

Mr. MASON. The backlog of cases that were held up has disappeared.

Mr. JENKINS. The backlog has been greatly reduced.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to my distinguished colleague on the committee.

Mr. BYRNES of Wisconsin. I think we want the record clear. The testimony of the Secretary was that the backlog of 900,000 entries in 1953 has now been reduced to a backlog of 600,000 cases. So there has been a real reduction in the backlog, but we still have a backlog of 600,000 cases.

Mr. JENKINS. Yes. If the whole backlog had been reduced, the problem would still be there.

Some of you, I am afraid, have been misled with reference to the tariff aspects of this bill. There is no tariff aspect in this bill. Of course, in doing business one man will gain a little and another will lose, but that is not a legal tariff. Last week, when we passed H. R. 1, that was the time that we handled the tariff question. That was the bill that took care of tariff matters. This is a bill dealing with commodities, but it does not deal with tariffs.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. Not just now.

That bill—I mean H. R. 1—took care of the chemical people and some other people who are interested in tariff. That bill, in part, took care of the people in my district and the people of West Virginia—the coal-mining and pottery districts. We hope that the improvements in the escape-clause procedure which we enacted will help them a great deal.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. Yes; I shall be glad to yield to my friend from West Virginia.

Mr. BAILEY. Did we get that relief from the House of Representatives?

Mr. JENKINS. What does the gentleman mean?

Mr. BAILEY. I thought it came from the Senate.

Mr. JENKINS. Oh, well, the gentleman voted for it the other day, did he not? No; I guess the gentleman voted against it, while the rest of us voted for it.

Mr. BAILEY. Do not indirectly accuse me of being out of my mind.

Mr. JENKINS. No; I would not do that; I would not do that at all. I know the gentleman is very capable and always able to take care of himself.

Let us proceed a little further to see just what has been done by this legislation. We have tried to straighten out the situation in regard to tariffs; now, we are attempting to do the same thing for customs. We recently revamped tariff procedures and we are now trying to do the same thing in customs. May I say to my Republican friends, especially those who pride themselves upon voting with the party, that the administration is strong for this measure and takes a lot of pride in it. The Treasury Department has gone out and done its work well and has cooperated actively with our committee. Let me say to you right here that Mr. H. Chapman Rose, the Assistant Secretary of the Treasury, who is responsible for developing this legislation, is one of the most capable men in the Government. If I may say so, this matter has moved very smoothly, both in the Department and in the committee, and we think this legislation brings credit to the country and will stabilize our customs service and be to our financial advantage.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to my friend and colleague.

Mr. SIMPSON of Pennsylvania. The distinguished gentleman from Ohio who, in the absence of our beloved colleague from New York, is ranking minority member, has for many years been opposed to a reduction of duty. He has been in favor of protecting American business. No one has a better record. So I ask the gentleman now if he favors that part of this bill which allows indiscriminate cutting of the protection of American business people?

Mr. JENKINS. I believe the gentleman and I have always been together on this matter of protection for our industries. It is true that if you strike out section 2 of this bill, to which the gentleman refers, you are not going to have anything left in this bill. Section 2 is the heart of this bill.

What does section 2 do? It does not levy any duty at all. All it does is that it enables the customs authorities to function more to our credit and our profit.

I challenge him to show that in the end section 2 levies any duty at all. There is no question but what some commodities will suffer a little loss, but as the gentleman from Tennessee said, the average reduction in duty will amount to less than one half of one percent.

Mr. COOPER. That is correct. The overall average is one-half of 1 percent.

Mr. JENKINS. The greater economy and the savings in administration which this bill will promote have been brought out here. The figures given you by the gentleman from Tennessee [Mr. COOPER] are correct.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to my distinguished friend the gentleman from Arkansas.

Mr. MILLS. Is it not a fact that there is no assurance under existing law that the protection which is involved in this particular section will be continued? In other words, is it not a fact that we were told by Mr. Rose, Assistant Secretary of the Treasury, that these reductions that might occur under this different definition of value could occur under existing law should certain practices be followed abroad?

Mr. JENKINS. There is no question about that. Mr. Rose brought that out. He explained that the foreign producer, if he is smart, can circumvent the valuation provisions of existing law.

Mr. MILLS. When the gentleman from Pennsylvania speaks, should he not point out what it is that we would have that we do not have under this legislation if the motion to recommit which he is to offer is adopted?

Mr. JENKINS. I hope he does. I hope the gentleman will take note of what the distinguished gentleman from Arkansas stated and will follow his request.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from North Carolina.

Mr. JONAS. When we substitute export value for foreign value do we not in effect invite dumping?

Mr. JENKINS. No. This law provides specifically that it is to have no effect whatever on the protection afforded by the existing antidumping law.

Mr. JONAS. The first criterion is export value. That means the value of exports to the United States from the country by which exported.

Mr. JENKINS. There are several different kinds of value used today. I know one of the very able lawyers who has come before us for years stated that his main objection to the customs program has been the complex valuation provisions. He says that the export value is the proper value. That is what we ought to have. I think the great weight of the testimony before our committee favors export value.

Mr. JONAS. Might not the export value to the United States, which is the criterion under this bill, be different from the export value to other countries? There is no assurance they will be the same?

Mr. JENKINS. It might be, but it is the business of our people to find out about those things. The Antidumping Act will provide a safeguard. There is nothing in this bill which gives a blessing to a two-price system.

Mr. JONAS. If the ad valorem rate is based on the export value to the United States, there is no assurance that export prices to other countries might not be higher?

Mr. JENKINS. We can find that out pretty well. These people who work in the Customs Service and who do this job advocate export value. The men who do the work say that is the proper criterion.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. What does this last section mean?

Mr. JENKINS. To what does the gentleman refer?

Mr. NICHOLSON. I am talking about this antidumping provision.

Mr. JENKINS. It means that nothing in this law will infringe upon the antidumping law. That is what it means.

Mr. NICHOLSON. It says that at the top, but then it goes down and toward the bottom it says that the Secretary of the Treasury, after consulting with the United States Tariff Commission, shall review the operation and effectiveness of such Antidumping Act and report thereon to the Congress.

Mr. JENKINS. Yes; that is there and that is a double protection.

Mr. NICHOLSON. It is an admission that there must be some dumping in there.

Mr. JENKINS. Not at all. It simply provides that the Secretary must keep a close watch on the matter. He must do that under present law. In fact, I am satisfied that he does it.

Now, Mr. Chairman, I wish to say further and again that the substance of all three of the major provisions of this bill have been considered and adopted by this House on at least one occasion during the last Congress.

President Eisenhower, in his message of January 10, 1955, on foreign economic policy, stated that uncertainties and confusion arising from the complex system of valuation on imported articles causes unwarranted delays in the determination of customs duties, and he again urged Congress to give favorable consideration to legislation for remedying this situation. H. R. 6040 carries out this recommendation. Because of my continuing interest in the problem of customs simplification and in view of my previous sponsorship of substantially identical legislation, I introduced a companion bill, H. R. 6041.

The bill was developed in the Treasury Department where the responsible official was the Honorable H. Chapman Rose, Assistant Secretary of the Treasury. Mr. Rose is a fellow citizen of the great State of Ohio and I am certain that members on both sides of our committee will agree that he is one of the ablest representatives of the executive department with whom our committee has ever worked.

During the public hearings held by our committee on this legislation, representatives of a few industries testified as to their concern that adoption of the new valuation procedures would result in a lowering of their tariff protection. There is no question but that a lower duty will result in some areas by reason of the new valuation procedure. This effect has been analyzed carefully by the Treasury Department, and the facts were frankly laid before our committee. In all but a few cases, the reduction in duty would be very minor and insignificant in effect. For example, in the case of pottery and other clay products, the reduction in the value upon which the existing duty will be imposed will be about 1 percent. The actual reduction in duty will be far less than 1 percent.

I believe that I can say in all sincerity that I stand second to none in this House in my concern that American industry receive adequate tariff protection. This fact was amply demonstrated during our recent consideration of H. R. 1, the reciprocal trade extension act. I would not support the pending bill if I were convinced that it would result in any substantial increase in the tariff reductions already authorized in H. R. 1. In that regard, I should point out that section 2 of this bill provides that any possible effect on protection resulting from the amendment of the valuation provisions will be considered by the Tariff Commission in connection with tariff negotiations and peril point or escape clause proceedings. Therefore, it is clearly our express intention that in future reciprocal trade negotiations any tariff reduction resulting from the adoption of the new valuation procedure must be taken into account by our negotiators in arriving at any further tariff concessions. Moreover, if any domestic industry should be subjected to injury or the threat of injury as the result of the new valuation procedure, it will have the same escape clause protection as is available today under the Reciprocal Trade Agreements Act. Of course, I would be less than frank if I did not admit to some concern over the effectiveness of escape clause proceedings in safeguarding our domestic industries. On the other hand, I am hopeful that the recent amendments to the escape clause which have now become law will provide a more effective opportunity for relief in case of real injury.

Finally, Mr. Chairman, I would like to say that this bill is part of the continuing program of the Republican Party to bring greater efficiency and economy into Government operations. For this reason, the bill deserves our support.

Mr. COOPER. Mr. Chairman, I yield 6 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, after due study and review of the provisions of section 2 of H. R. 6040, customs simplification bill, as well as the amendment thereto as reported out of the Ways and Means Committee, I have no other choice than to register my opposition to this bill in its present form.

My principal objections are, first, that the export value proposed as the basis for assessment of import duties on an ad valorem basis is itself narrowed down in the bill to the price on goods "for exportation to the United States"; second, that the use of "foreign value" is completely eliminated as a basis for assessment of duty; third, that the amendment adopted by the Ways and Means Committee saying "nothing in this act shall be considered to repeal, modify, or supersede, directly or indirectly, any provision of the Antidumping Act of 1921, as amended" would not overcome the confusion of having 2 conflicting laws on the same subject; and fourth, that the amendment does not mention the countervailing duty provided for in section 303 of the Tariff Act of 1930 which section would also be in conflict with H. R. 6040.

Let us briefly analyze the provisions of this bill and the effect it would have on American industry as well as on those who would administer it, if enacted.

Customs simplification as applied to this bill is a deceptive term. The avowed purpose of the bill is to lighten unnecessary and unintended burdens on trade at present imposed by complex customs machinery.

Assistant Secretary of Treasury Rose in his testimony before the House Ways and Means Committee said in connection with this bill:

> The benefits of greater speed of administration, increased certainty, and commercial realism warrant these changes in valuation procedures.

It is probably true that by using exclusively the "export value," eliminating entirely the "foreign value," whichever is higher, as a basis for assessment of ad valorem duties would speed up the actual physical liquidation of the imported merchandise from the customs house.

On the other hand, what about the time consumed and clerical and administrative expenditures that would be necessary in order to determine whether a given "export value" was a "fair value" and was not in violation of the Antidumping Act? The same question arises with respect to levying of a countervailing duty to offset any bounty or grant that might have been bestowed by a foreign country on particular exports. Unless these checks were made there would be no way of knowing whether dumping or actionable subsidization was taking place.

The substitution of "export value" as defined in H. R. 6040 for "foreign value" and "export value" as now defined in the present law would not result in simplification of customs procedures, unless the gathering of information that now makes possible dumping and subsidy detection were dropped.

Let me turn now to another aspect of section 2 of this bill.

By substituting "export value" for "foreign value" tariffs would be lowered, not by the usual method of reducing rates under the Trade Agreements Act, but by lowering the values placed on ad valorem imports, that is to say, on imported products on which duties are imposed on a percentage of their appraised value. Using the export value exclusively would have the side effect—over and above trade agreement concessions—of reducing tariffs on thousands of United States imports. This fact is admitted by the Treasury Department.

Imports on which duties are assessed on an ad valorem basis amounted to approximately $1.4 billion during the fiscal year ending June 1954. This is equal to approximately 13 percent of all United States imports in that year and 25 percent of all dutiable imports. The remainder is collected on a specific basis, that is, so many cents or dollars per pound or per yard, and so forth.

These one-lump tariff cuts, coming on top of the selective 5 percent a year

reductions allowed under H. R. 1, the Trade Agreements Act of 1955, would be entirely too much for many industries already suffering or threatened by low-wage price competition to stand. Especially in view of the tariff reduction granted in the recently signed Japanese trade agreement, any further indirect reductions of duties would be adding insult to injury.

How would these so-called side tariff cuts work out? Let us take, for example, a product the appraised foreign value of which is $100 with an ad valorem duty of 20 percent. If, by using the export value instead of the foreign value, the appraised value were cut by 10 percent to $90, the duty to be paid would drop by 10 percent to $90. The duty-paid cost to the importer would be reduced from $120 to $118. This reduction of $2 could very well be the margin that would make it impossible for a domestic manufacturer of the same product to compete with the lower priced imported product. In this manner the payment of import duties would be reduced much in the same way as the tax bill on your property might drop if its assessment value were set at a lower figure.

I have already pointed out that the export value proposed in this bill is itself narrowed down to the price on goods for exportation to the United States. This is an open sesame for international cartels and countries engaged in state trading to enter the United States market with rigged prices tailored to meet our domestic competitive conditions. Under this bill they could do so without regard to the prevailing market prices in the country of origin.

What would prevent cartels or amtorgs in fixing prices for exportation to the United States? These prices could be lower than those offered to any other country in the world being specifically designed for penetration of the United States market or even for driving domestic producers out of business, looking toward higher prices thereafter. These prices could also be so definitely below those prevailing for home consumption in the exporting country that they would be unfair and would fall under the Antidumping Act. Or the low prices could be made possible by virtue of a subsidy, thus falling under the countervailing duty section of the Tariff Act of 1930.

Let us suppose that such a shipper were charged with dumping in our market. He could immediately reply that the price of his wares were the true export price for shipments to the United States as defined in our law; and this, let us say, were entirely true. If we then moved against him under the Antidumping Act or under section 303 of the Tariff Act of 1930 he would be outraged.

It would be only a matter of time before we would need another customs simplification bill to take the snare out of our customs law. We would be accused of having a diversity of laws covering the same subject. Such protests would be well founded. It would be bad legislation to lead us into such a situation.

I will vote to recommit this bill with instructions to strike out section 2.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Washington.

Mr. HOLMES. Will the gentleman show in the act where countervailing duties, however granted, are removed in any way, shape, or form by this legislation?

Mr. BAILEY. It would have a tendency to kill the effect of it. They actually agreed here during debate today that if the gentleman from Pennsylvania [Mr. SIMPSON], succeeds in striking section 2 from the bill, there will be no reason for passing it. So the main objective of the bill is to change from a foreign value to an export value on shipment of goods into this country.

They say it does not affect our tariff procedures. It does and they have so acknowledged by telling you how it will affect them.

Mr. Chairman, I want to say in conclusion that I propose to join the gentleman from Pennsylvania [Mr. SIMPSON] in his attempt to recommit this bill and strike out that dangerous section; and I trust I will have the assistance of a number of Members of the House.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. BAILEY] has expired.

Mr. JENKINS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, this bill (H. R. 6040) is called a simplification bill. I tell you it is that in name only. It is not a simplification bill. We passed the major portion of this bill, which is section 2, at least three times in the past. It was connected with bills which truly were simplification bills for customs purposes. This was taken out of the bill over in the other body. I would think they will do the same thing this time because this has no relationship to true customs simplification.

As a matter of fact under the bills we passed in 1953 and 1954, we so drastically reversed the policies then prevailing under customs procedures, that a backlog of some 900,000 cases has been, as you have been told, reduced to around 600,000. And entirely without regard to this bill, at the rate at which they are being eliminated today, they will all be eliminated within a few months and by the end of this year, without regard to this bill, which would not help by way of speeding up the reduction in backlog, that backlog will have been eliminated.

Mr. GAVIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. SIMPSON of Pennsylvania. If we want to require any other proof that the purpose of this bill is not principally simplification, listen to this. We were told by Mr. Rose that if we gave him $750,000 or perhaps $800,000, in order to speed up, to do the things that the most optimistic might believe could take place under this bill, to accomplish the things that this bill looks forward to, he could do it for that amount. In the same breath, as you can see, the cost of this bill, based upon a sample that they took last year—by "they" I mean the Treasury—would be $5 million.

So I conclude there is some purpose for this bill other than mere simplification. And what is that purpose? Apparently it is to do away with that great policy we adopted the other day of reciprocity in making trade agreements. We make a concession to some foreign country tariffwise and that country makes a concession to us. That is the reciprocal trade agreement program, a program which most of us have supported in this body, and it passed here last week on the basis of the conferees' report by a very, very large vote.

This does complete injustice to that procedure because here we cut tariffs by the hundreds, yes, by the thousands, and we do it entirely without any concession on the part of any other country.

Second, we do it without ever refering to the peril point. The peril point was one of the provisions of law the distinguished gentleman from West Virginia suggested some years ago and which was adopted by the Congress then and since that time on several occasions. It was put in to protect the American businessman from unjust and unreasonable cuts in duties which were made by the negotiators who travel around over the world seeking, they say, the best bargains they can get for our country. But what did we do here in Congress because bad bargains were being made? We provided that a peril-point study should be made on each item they were empowered to cut, and they were denied the right to cut below that peril-point result which was reached by the Tariff Commission in determining the point below which any cuts might be injurious to American business. On that basis, unless the President saw fit to overrule that peril-point finding, no tariffs have been cut below the peril point.

In the pending bill, however, called a simplification, we cut hundreds, and I mean it, hundreds of the effective protective rates upon industries, and we do it with no reference whatever to the peril point. The peril point imposed by this Congress to protect American business is completely disregarded.

Is it important that we look to the peril point? Yes, because some of these cuts in some industries, some of which were studied by the Customs Bureau, and they have presented the findings here, they deem would result in a lowering of protection of as much as 12 percent, all the way from 0 to 12 percent. It is claimed by certain industries not the subject of the study that in their instances the loss is as high as a 20-percent reduction in the duty rate. All that is done without the peril point. All that is done without regard to the reciprocal-trade program. All is contrary to the way Congress authorized a tariff-reduction bill.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from West Virginia.

Mr. BAILEY. It is not true that some of the wording contained in H. R. 6040 was picked up bodily from the report of the General Agreement on Tariffs and Trade and from the Randall report?

Mr. SIMPSON of Pennsylvania. The gentleman is correct. The gentleman refers to certain wording in this bill. If he asked me to point it out I could not do it here because I do not have the papers here, but some of the words are word-for-word excerpts of what is in the General Agreement on Tariffs and Trade.

Mr. BAILEY. Is it not also true that the other body before they approved H. R. 1 wrote into that a denial of responsibility for any connection whatever with GATT?

Mr. SIMPSON of Pennsylvania. The other body in considering H. R. 1 did provide that nothing therein should be construed as approval or disapproval of GATT, and this body right here in accepting the conferees' report made that same conclusion.

Mr. BAILEY. Is not this a backdoor procedure to get in what they could not get in through a regular approval of GATT?

Mr. SIMPSON of Pennsylvania. I believe it is. This bill under section 2, and section 2 is the only part of the bill about which I am concerned, and to which my motion to recommit will be addressed, changes the method upon which the figure is reached to which the duty applies from what we today call the foreign value. But then it made that refer to the export value which is defined as export price, and not the export price to anybody else in the world but the place that that particular country wants to sell the goods, to Uncle Sam, to the United States, to the country that is the big market and the country where they want to get the dollars and where they give a preferential price, or may give a preferential price—and this is an invitation, too, to do that. That price would be the base upon which our duty rate will apply hereafter, if this becomes a law. So that if the foreign price or the foreign value is $100 in order to take our market over here, and every country abroad wants it, this will make our export price to the United States $80, and if the duty is 10 percent in the first instance, the duty would be $10 and in the second instance it would be $8. American business today is protected by the $10, and now it will be protected by only $8.

We have disregarded the peril point and we have encouraged them to have a two-price system as a result of which the American businessman is injured. Even though it be only a trivial injury percentagewise, it might be just enough to bring it below the peril point and wipe out or jeopardize the American business in question. I do not think we want that kind of legislation.

The Treasury made a study. There are many hundreds of thousands of items shipped in. They pick out a certain percentage. Five percent in the port of New York and 2½ percent in certain other ports. They made it a sample study to ascertain the effect of adopting this export-price valuation instead of the foreign value method. They did not get every item. They got some of the items. I do not know whether they got the item about which you are the most interested, and the item about which there will be or there may be some unemployment back in your district or not. I do not know whether they considered that. But I do know in those which they did consider as set forth on page 20 of the report, you will find some very interesting industries—chemicals, the great chemical industry, the great industry that grew up here after World War I when we were caught with no productive facilities for chemicals and the chemical products which are so essential to the conduct of war. We built that industry. This is without reference to the peril point and without reference to the injury or damage of any kind to that industry by changing the method of valuation which would still further injure that industry by cutting the protection that industry has today. Let us not forget that every American industry in this present calendar year has been and will be subject to not 1 but 2, 3, and maybe 4 threats against the security which it has as an American business. Most of them have had to face the cuts made in the Japanese agreements just recently. You recall, if you read the papers a couple of weeks ago, after they announced those cuts made at Geneva in the Japanese agreements, a most distinguished Member of the other body announced, in effect, that they had cut tariffs over there on textiles to such a point where they should not be cut any more and where, perhaps, irreparable damage had already been done. And then there were the negotiations with the Swiss. Our negotiators who had gone abroad in connection with the Swiss agreements made a bad bargain and they had cut the duty with respect to the importation of watches too low, and our industry was seriously hurt. Our men made a case and it was ordered that the duty should be raised and the American industry protected. And what do you think we had to do—this great sovereign country of ours—because of some of these international agreements and because a bad bargain had been made, because Congress had not passed upon it, but somebody representing us had made a bad bargain and made a deal which should not have been made—what did we do? Let us take the chemical industry as one example or the rubber cuts and a number of others. We gave concessions to the Swiss to make up for those bad deals that we had made. Instead of dealing at arm's length like Yankee traders and acting in the interest of this country, we now take another industry and make concessions to it, to which they have objected, in order to make the Swiss happy.

As I suggested a moment ago, it will be my privilege to offer a motion to recommit this bill and to strike from it section 2. There are remaining parts of the bill. The part remaining I think no one will seriously object to, yet it is important. One section provides that whereas today the Federal Reserve Bank must reach conclusions as to the relative value of the American dollar with the dollar of other countries on a daily basis, this bill provides that the Secretary of the Treasury need not announce the daily rate unless it differs by 5 percent or more over the previous rate. Under this they need do it only once a month, unless that relative value shifts as much as 5 percent. I think we will all agree that is desirable legislation.

Other parts of the bill strike from the law many sections which are obsolete, not being used, and have not been removed. The section to which I have been directing my remarks, section 2, will be the basis of the recommittal motion, and I hope it will be adopted.

Mr. COLE. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. COLE. I understand the principal justification for eliminating the domestic price as being the basis for determining the tariff is because of the difficulty in determining what the domestic price is. I am curious to know why it is more difficult to determine the domestic price than the export price.

Mr. SIMPSON of Pennsylvania. Of course you will get a bill when you bring something into this country, and it will show the invoice price which, on the face of it, would be the export price. While they deny that they use that as the sole basis, it is fair to assume that the customs inspector will look at that and say that is the export price, and on this amount the duty would be levied.

The gentleman asks why it would not be just as easy to get the domestic price in the foreign country. They argue that we do not have to keep somebody over there to do that. Yet on that very point they say that the antidumping laws will be enforced, and they cannot be enforced unless you do know what the domestic price is in the country of origin. In fact, we will have to have our people abroad to learn what the domestic prices are.

Mr. COLE. I cannot understand why it should ever occur that the export price would be greater than the domestic price.

Mr. SIMPSON of Pennsylvania. I am told that the situation has arisen and may arise again where the export price may be higher than the price at which it is sold; maybe higher than the foreign value.

Mr. COLE. Is that not very unusual?

Mr. SIMPSON of Pennsylvania. Most unusual, yet I am told it could arise, and if it does it is contrary to GATT. But I think it is so negligible that little attention is being paid to it.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. JONAS. Did not the Secretary of the Treasury in his letter to the committee specifically state that the Treasury Department would continue to assemble information about foreign values, and therefore the argument that by making this change you would eliminate the necessity of making these foreign studies, does not hold, does it?

Mr. SIMPSON of Pennsylvania. The gentleman has made an important point.

They argue all the way through that the antidumping law will not be affected at all, and I think it would not be affected, because they go on and say: "We will continue to get information which would be necessary to the proper enforcement of the antidumping laws." I make the point, if they are going to get that information, then they must know what the foreign value is as compared with the price at which it is actually shipped to this country. I think every one of us who wants to make a record on behalf of the working people in our districts has a chance to say that the United States Congress is not going to do away with the protection we have without most carefully considering that protection and how to take care of the industries back home. I suggest that this method of completely doing away with the reciprocal trade agreements policy by making arbitrary tariff cuts without any hearing, by not selecting at all, by no selectivity, is the most dangerous policy to follow.

I suggest further that in passing over the peril point, in disregarding it, we are not only setting aside the policy which we in Congress adopted as necessary for the protection of American business, but we are also, by passing these hundreds of reductions without study, being unfair to American business. We are encouraging a double pricing method, a method which we have bitterly opposed with respect to foreign prices. We are endangering the whole area of our foreign relations. If we here in Congress do not let the American businessman and the worker know that there is a point below which his business will not be traded away, that there is a point below which the American workingman can be assured of support on the part of his Government, we are in a dangerous situation. So I suggest and I ask that when the motion to recommit is offered, it be given your support.

Mr. JENKINS. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, the gentleman from Pennsylvania [Mr. SIMPSON] says he expects to offer a motion to recommit to strike out section 2, the section which deals with the method of valuation. I will oppose that motion for the following reasons: If a businessman buys some merchandise abroad and then finds out that he has to wait months or even years before he knows how much duty he will have to pay on it; and then finds out that this duty is based on a valuation greater than the price he paid for the goods, he is not being treated fairly. This is often the situation under the present law.

It is most difficult for the customs authorities to get a true foreign value on some items. There are many in which the transactions in the country of origin are limited in quantity—so limited that manipulation for the purpose of securing a lower foreign value is possible. Thus there is often long delay in getting an honest and accurate figure.

And why in normal cases should an importer pay a duty based on a valuation higher than what he actually paid for the goods, unless there were dumping involved.

Passage of this bill would without question result in a more realistic valuation—a specific one. It is a fact that this bill would result in a lower valuation on a very limited number of imported items, as the gentleman from Pennsylvania says, but it is a truer valuation than that under present law.

What section 2 involves is only those items which are subject to ad valorem duty. These items represent only about one-third of our dutiable items, and only about one-fourth of the one-third would be affected in any way by passage of this bill.

The chart on page 26 of the hearings taken from a sample survey by the Treasury Department proves that the proposed change would result in duties being paid on these items based on a valuation only slightly higher than the invoice value instead of the present unrealistic figure.

Of course, the proposed change would require a strict enforcement of the Antidumping Act, and Assistant Secretary of the Treasury Rose has guaranteed that there would be such strict enforcement.

My friend from Pennsylvania argues that this bill would encourage double pricing by foreign countries.

The Committee on Ways and Means in its executive consideration of H. R. 6040 gave careful attention to the argument that the enactment of this bill and the elimination of foreign value as a basis for customs valuation would encourage a two-price system in trade with the United States. The committee received assurances from Treasury Department that the enactment of this bill would not be such an encouragement. In addition, the committee requested and received the views of the Department of State which were that the enactment of H. R. 6040 would not be inconsistent in any way with the policy of this Government toward two-price systems in international trade.

I believe a careful analysis of the logic of this situation should dispel any fear that the enactment of this bill would encourage the development of unfair trading practices with the United States. It is claimed that foreign countries will charge one price for a product for home consumption or for export to other countries and another substantially lower price for sale to the United States. Why would this be done? One reason might be that a foreign country desires to increase its dollar exchange earnings and therefore subsidizes its trade with the United States by giving of a grant or bounty to the exporters of certain merchandise to the United States. If this situation arises, the exports are now and will continue to be subject to a countervailing duty equal to the amount of the bounty or grant conferred upon the foreign export. The continued enforcement of this provision of law will discourage the development of such two-price systems.

Another reason for the development of a two-price system might be that the foreign exporter desires to capture a share of the United States market or to dispose of surplus production and therefore sells to the United States at a much lower figure than he charges for sales in other markets. If a foreign exporter sells to the United States at a differential below his going wholesale price in his home market, which is not justified by quantity, or similar commercial differences, his exports are subject to the application of a dumping duty equal to the difference in price if it is determined that the imports are likely to cause injury to a domestic industry in the United States.

The levying and collection of duties equal to the amount of any bounty or to the amount of dumping value is now the only effective discouragement to a two-price trading system based upon unfair trading practices. The enforcement of the Antidumping Act and the countervailing duty laws will continue to discourage the development of such unfair trading practices.

It was argued in committee that there would be no saving owing to the fact that in order to have the information available for antidumping questions, it is necessary for us to get the local wholesale prices anyway.

The Treasury Department has given us assurance that this act will not result in any lessening of enforcement of the Antidumping Act, 1921. The committee by its amendment contained in section 5, makes it clear that nothing in this bill repeals or modifies in any way the provisions of the Antidumping Act. The Secretary of the Treasury has written to the committee stating that under this bill the Treasury will continue to require information on customs invoices as to foreign value. This will mean that the Bureau of Customs will have current information on differences in prices in the foreign market and prices for exportation to the United States so that questions of dumping can be investigated before a complaint is made by a domestic industry.

Although there will be no reduction in the information obtained on customs invoices there will be a material saving in customs operations. This foreign value information will be recorded and maintained, but without the necessity for verification or foreign investigation until a possible dumping case arises. At the present time a determination of foreign value sufficiently well-founded to be defended in litigation must be made in connection with every entry subject to an ad valorem duty. These determinations naturally require numerous and extensive foreign investigation. The number of investigations will be substantially reduced if they need be made only where a possible dumping case requires investigation.

Some have said that we should change the wording in the bill by which valuations are based on the price "for export to the United States" and only leave the words "for export."

The committee also considered the possibility of defining "export value" as the price at which merchandise was sold for exportation to all countries. The Treasury Department advised us that this would increase rather than decrease the problems of administration of the

valuation provisions of the Tariff Act. Value information on prices for export to the United States is ordinarily available in the United States. Information on current prices for exportation to third countries would be available only in the country of exportation or importation. Determination of these values would therefore continue to require a great number of inquiries by our agents in foreign countries.

Moreover, the Treasury Department advised us this determination of third country prices as proved in the past to be one of the most difficult and uncertain of standards to use. Prices in third country trade are affected by such things as bilateral trading agreements, and quantitative and exchange controls on on importations in third countries. Practices such as these and many others are not present in trade with United States and make such figures very unreliable. The Treasury pointed out that the existence of these difficulties in determining third-country prices in the enforcement of the antidumping law has recently led the Treasury Department to redefine "fair value" for antidumping purposes to permit them to use the going wholesale price in the home market rather than have to look to third-country transactions. The valuation provisions of the customs laws once were interpreted by the courts to require third-country information and the difficulties involved led the Congress in 1938 to discard this basis of valuation.

Reintroduction of the standard of export prices to countries other than the United States would be a retrogressive step which would ignore the administrative experience with that standard.

This is a good bill. It will simplify our customs procedures and encourage that foreign trade so necessary for the welfare of the workers in the United States. The recommittal motion should be defeated.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, the gentleman from Pennsylvania [Mr. SIMPSON], stressed the points I had expected to stress, but I do want to answer and clarify some things that have been brought up in this debate.

For instance, the gentleman from West Virginia [Mr. BAILEY], stated that the passage of this bill would tend to nullify the antidumping laws and the countervailing duty laws. I would not use the word "nullify," because I do not think the bill goes that far, but I do say without fear of contradiction that it would invite the violation of those two laws, and if that is what you want to do, why, pass the bill.

Now, the gentleman from Ohio [Mr. JENKINS], the genial substitute ranking member of our committee, challenged anyone to find one word in this bill that levied a duty. Well, that challenge cannot be accepted, because there is no word in this bill that would levy a duty. But the provisions of this bill, without any question whatever, provide for automatic and arbitrary cuts in our duties without any rhyme or reason. So, if you want to make arbitrary cuts or automatic cuts without any words in the bill specifying that duties shall be reduced, why, pass the bill as it is.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Ohio.

Mr. JENKINS. If the gentleman is an official and does not want to make those cuts and does not make them, then we do not lose anything, do we? I am still right.

Mr. MASON. If we pass this bill, we lose them, and not whether we want to or not. Of course, I said the gentleman was right in challenging us to find one word in the bill that would levy a duty. There is no word in the bill that specifically says we shall lower tariffs or duties, but the provisions of the bill and the effect of the bill will be automatic, arbitrary reductions in our duties.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MASON. I am glad to yield to the gentleman from North Carolina.

Mr. JONAS. Does not this bill violate the reciprocity principle that we talked about so much during this session in H. R. 1?

Mr. MASON. Oh, this bill provides that we shall give concessions to foreign countries.

Mr. JONAS. But is there anything in the bill that provides a balancing concession to us?

Mr. MASON. It does not provide for anything. We make concessions to these foreign countries but we get nothing in exchange whatever. In that respect it does violate the reciprocity principle. The gentleman from Pennsylvania [Mr. SIMPSON] brought that out very emphatically, I thought.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MASON. I am glad to yield.

Mr. BAILEY. Does not the gentleman think this is just a back-door arrangement to get the Congress to recognize some of the schemes of the General Agreement on Tariffs and Trade?

Mr. MASON. It is, in my opinion, just a back-door entrance to GATT.

Mr. BAILEY. I thank the gentleman.

Mr. MASON. I want to say this, that I am opposed to this bill, without any equivocation whatever. I am opposed to the whole bill and I shall certainly wholeheartedly and enthusiastically support the motion to recommit, to strike out the heart of the bill, section 2, which changes the valuation upon which we shall levy our duties.

That is about all I think I need to say to make my position clear.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MASON] has expired.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, the effect of section II of this bill upon the firearms industry in the State of Connecticut which I have the honor to represent is one of the compelling reasons why I shall support the motion to recommit which will be offered by the gentleman from Pennsylvania [Mr. SIMPSON] to strike section II.

From the statements by witnesses of those who administer the custom laws, we are told that the administrative difficulties have largely been overcome and the accumulated cases will be cleared by the end of this year. This disproves the necessity of the bill at this time.

Under the guise of simplification, H. R. 6040 is a tariff cutting proposal. The biggest cuts in order to make an overall feasible bill are inflicted on chemical, firearms, and rubber manufactures. Action is thereby being taken by way of the so-called back door because apparently the same could not be accomplished directly.

Mr. Chairman, there is also the possibility with the 15 percent effect on firearms that such, if it became a reality, would have an important bearing upon the know-how of the manufacture of firearms which is always of vital importance to the security of our Nation.

Because of these apparent reasons and those which have already been enumerated and emphasized by my colleagues who have preceded me, I shall support and vote for Mr. SIMPSON's recommittal motion.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. SADLAK. I yield.

Mr. BATES. Mr. Chairman, I am opposed to this bill in its present form and will vote to recommit it.

The major problems associated with customs simplification have already been alleviated by the Customs Simplification Acts of 1953 and 1954 which I supported. As a consequence of these two acts the tremendous backlog of custom cases have been reduced from approximately 700,000 in January, 1953 to the point where at the end of this year, according to Treasury officials, no backlog at all will be present.

While the purpose of this measure is purported to further simplify customs, the net result is a tariff reduction which will admittedly have an adverse effect upon domestic industries and cause unemployment. In addition, contrary to our reciprocal trade policy which is supposed to be a two-way street, this is a unilateral concession on the part of the United States.

Surveys of 1954 imports related to this bill, while interesting, are not a reflection of the many variations that could develop in the future and, particularly if the abnormal demand for goods throughout the world should decrease. It would be at that time that the true significance of this bill would be felt.

The Congress has already passed H. R. 1 this year which further liberalizes trade and the State Department has completed negotiations under prior law granting further concessions. This bill would permit three cuts in duties in a single year. It would appear to me that enough has been done in this area for 1 year, and, in my judgment, we should be cognizant of the effects of action already taken before we embark upon an additional program without getting any concessions in return.

Mr. JENKINS. Mr. Chairman I yield the gentleman from New York [Mr. MILLER] 3 minutes.

Mr. MILLS. Mr. Chairman, I yield the gentleman from New York [Mr. MILLER] 2 additional minutes.

Mr. MILLER of New York. Mr. Chairman, I am extremely grateful to my distinguished colleague from Arkansas [Mr. MILLS] for the additional time. I know that he will conclude the debate for the proponents of this proposed legislation on that side and I know what an excellent job he will do. I wonder whether or not I can adequately anticipate his arguments in the time that I have because, Mr. Chairman, I am specifically, dogmatically, and vehemently opposed to this proposed legislation.

I have voted for reciprocal trade agreements in previous Congresses and their extension. After the Senate safeguards were incorporated in H. R. 1 I voted for the conference report. But I have always felt that the Congress should deal with tariff legislation with reason, with care, and with safeguards.

Mr. Chairman, regardless of what may be stated on the floor today, section 2 of this bill is not a simplification provision. It is a straight out-and-out tariff reduction provision. That is supported by the Treasury itself in a chart which it submitted to the committee in which it listed, if this legislation pass, industry after industry which would have a tariff cut of, in some cases, almost up to 16 percent; other groups with decreases up to 4 percent and others up to 2 percent. There are other groups with decreases of up to 4 percent, and others up to 2 percent.

If this bill is passed, every single Member of this House who represents an industry will find that that industry has suffered a tariff reduction.

I want to say something about an industry in my district, a woolen felt industry making papermakers' felts, used in the production of all paper in this country. The tariff cut in their case would be from 10 to 20 percent automatically if this bill were passed. That is in addition to the fact that since 1930 the tariff reductions in that field have been 75 percent, and as a result of H. R. 1, will be 15 percent more.

The current price list published by the British Paper Machine Felt Association shows that today a papermaker's felt sold in England by this English cartel costs in England $3.09. They sell it in the Western Hemisphere, in Argentina, for $2.79. That would be the price at which they could sell it in the United States, and they would immediately if this bill were passed.

You talk about antidumping provisions. The antidumping provision is not a tariff or revenue measure, it is a penal statute. It would require complaint on the part of the industry affected and investigation on the part of the Revenue Bureau to ascertain whether or not an industry was being hurt. The cost of the investigation would be tremendous, and the weight would be onerous and unthinkable on industry, to invoke antidumping to take care of this proposition.

We now have the solution under our present tariff law, where the customs officials examine export prices as compared with foreign market values. If the foreign market value is higher, that is the value we take, and that is the value we should take. That is the only procedure we can utilize in order to protect the industries of our country.

There are no peril-point provisions in this bill. There is no escape-clause provision in this legislation. We are automatically and arbitrarily reducing our tariffs by from 10 to 20 percent with no reciprocity involved at all. If we are going to reduce the tariffs to that extent, let us hold them back as a leverage in order to get equal concessions from foreign countries. Let us not automatically bargain this away with no reciprocity provisions for America at all. These provisions are automatically tariff-reduction provisions. This is a tariff-reduction bill. It is a larger tariff-reduction bill than H. R. 1.

Mr. JENKINS. If the gentleman will yield, his figures are absolutely wrong.

Mr. MILLER of New York. They were not proven wrong by the gentleman's statement.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I do not know that I can add too much to the discussion on this bill. I think the controversial aspects have been thoroughly discussed on both sides. I would say that I think in many cases they have been exaggerated both by the proponents and by the opponents of this section. I am inclined, however, to think that so far as the issue is concerned, we have gotten a little off base. The issue involved here is not one of protection versus free trade. As I see it, this section has to do with the matter of administration and procedure of customs laws. The question is whether you should try to put your procedures on a reasonable basis and on a logical basis and on a businesslike basis.

Anybody who wants to study my record will certainly not come up with the conclusion that I am a free trader or that I do not believe in providing protection to our domestic producers against unfair competition from imports, but it seems to me if we are going to give protection that protection ought not to be on the basis of complicating customs' procedures so that everything that comes in gets tied up in redtape; or that we do it in fictitious ways or in ways that leave loopholes. The present method of determining valuations is encumbering trade between the countries. Now that does not affect just the trade where we have some competition. Let us remember that there are many items that we get from foreign countries which we need, and which we have to have, and on which there is no competition at all with domestic production. Yet, as long as our procedures are complicated, they have to bear this handicap and the handicap is passed on to the American consumers. Let me just ask this simple question. What is the advantage, really, in having a system where you say to the customs' processor, "Do not make just one appraisal for each item that comes in, but make two. And then on the basis of that, determine the duty."

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. SIMPSON of Pennsylvania. The advantage of that is to make certain that the foreign country is not taking advantage of our great American market, and dumping its product into the United States. Therefore, we require that the processor look to make certain he is levying his duty on a fair price, namely, the price at which the product sells abroad.

Mr. BYRNES of Wisconsin. Of course, if it is to prevent dumping, then what is the advantage of having on your statute books any antidumping law because the present dual determination would automatically, if the gentleman is correct, take care of any dumping situation, and yet we know that we have dumping from time to time under the present law.

Mr. SIMPSON of Pennsylvania. The gentleman has asked another question I am sure he will realize on second thought. The answer to the last question is that the antidumping law in order that it be enforced requires you to know whether the other country has been selling at less than the fair price abroad. Therefore, you have to find that fact out anyway.

Mr. BYRNES of Wisconsin. You find that out, certainly. You will still in some cases have to make determinations of the market value in the country of origin. But you should at least limit yourself to those cases where there is reason to believe there is dumping and where there is reason to make the dual calculation. But, under the bill you will not have to do that every time a commodity comes into this country and every time an appraisal is made.

Mr. SIMPSON of Pennsylvania. Mr. Rose testified he would in every instance have the foreign values of the items stated on the invoice.

Mr. COOPER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BYRNES of Wisconsin. Mr. Chairman, as I understood the testimony of Mr. Rose, it was that if they could be relieved of the responsibility of making dual calculation in every case of an entry, they would thus be fortified and be in a better position to really make an investigation in those cases where there was some evidence of dumping, and that the Dumping Act therefore would become much more effective.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. JONAS. The following is a quotation from the letter of the Secretary of the Treasury to the chairman of the committee, appearing on page 5 of the report:

> I wish to advise your committee that it is the firm intention of the Bureau of Customs and the Treasury Department to continue to require foreign value information as a part of the information contained in custom invoices.

The information would be available right there in the Customs House, would it not?

Mr. BYRNES of Wisconsin. But that is not what you use. Even under this bill you will not necessarily use the invoice price as the export value, any more than

you will rely upon the invoice statement of what the market value is in the foreign country for the market value. At the present time they have to go way beyond the invoice figures to determine their foreign value or export value. The only point I wish to make is that if we are going to protect, let us do it in the area of duties. As far as the procedures and administration of our customs law is concerned, let us put them on as reasonable a basis as possible.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Michigan.

Mr. CEDERBERG. The gentleman admits there is a difference in the formula in figuring export value and a definite reduction in tariffs to some industries.

Mr. BYRNES of Wisconsin. Let us put it this way: In some instances the after duty cost of some items is going to be lower than it was before. If the gentleman will refer to the hearings, he will see tables showing the changes that will take place.

Mr. CEDERBERG. Your justification for that is simply because you are going to alleviate some of the paper work and the redtape that is required to do the job. Is that correct?

Mr. BYRNES of Wisconsin. And make it realistic.

Mr. CEDERBERG. In other words, the issue is, shall we make it more simple to carry out the act, and penalize certain industries in the process?

Mr. BYRNES of Wisconsin. I do not think we should look at it that way. I do not. Perhaps I am wrong, but I do not look at this act as an attempt to penalize any industry at all.

Mr. CEDERBERG. I have an industry in my district, a chemical industry, which is very much concerned about this. They say it will mean an increase of 8 or 9 percent in their particular case.

Mr. BYRNES of Wisconsin. Let me point out that some of the foreign exporters now recognize that our law today is such that they can so adjust their offering in their home market so as to eliminate the possibility of our applying the duty to the foreign valuation. In other words, at the present time domestic industry may have some protection by reason of dual valuations, but it is within the power of foreign industry itself to eliminate that protection.

Mr. CEDERBERG. If they cut their domestic price.

Mr. BYRNES of Wisconsin. No; it is not a matter of their cutting the domestic price, it is a matter of how they sell in their domestic market; it does not necessarily mean they have reduced the price one iota in their home country.

Mr. JENKINS. Mr. Chairman, I yield the balance of my time to the gentleman from Indiana [Mr. HALLECK].

The CHAIRMAN. The gentleman from Indiana is recognized for 5 minutes.

Mr. HALLECK. Mr. Chairman, I had not particularly planned to say anything in this matter. I do not claim to be an expert about it. I have sat here at least part of the afternoon and tried to read the report.

It is quite obvious, of course, that the fundamental issue here is the concern of some people about the lowering of tariffs. I can well understand that, and how it disturbs many people. I think, however, that we must also be concerned with the development of our foreign trade, for loss of foreign trade can be dangerous to us as well as to the people with whom we trade.

As I listened to the gentleman from Wisconsin [Mr. BYRNES], I think he laid before us the issue specifically as to this section 2 when he said that primarily it was a matter of using 1 system of valuation for purposes of determining tariffs instead of 2 systems.

I suppose as he indicates in some instances that could mean a reduction. But certainly the simplification would still be desirable. If it should result in an undue lowering of tariffs then certainly there must be and I am sure there are provisions in the law by which necessary readjustments can be made. And the escape clause and peril point would operate just that much more quickly.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield for a question?

Mr. HALLECK. I yield.

Mr. YOUNGER. In listening to the debate does it strike the gentleman as it strikes me that the opposition to this bill presupposes faulty administration rather than objecting to the main purposes of the bill?

Mr. HALLECK. I do not know whether I would characterize it quite that way or not. I am one of those who have argued through all of these controversies in the last and in this Congress that we could rely upon our administrators to carry out the law in such manner as would be proper.

In respect to the dumping possibilities, as I read the report, it is evident to me that there is specific provision which would require an examination of the whole matter of dumping that might be permitted by fixing the valuation at the foreign value which would be that of the goods exported as against the domestic price. As I read it, that would clearly mean that if this legislation is enacted and foreign prices or export prices are fixed measurably lower than the domestic price, then certainly it would be the responsibility of the Treasury and the Tariff Commission to make an investigation in respect to that. If they found that this method of determination of values of imports was being used to promote dumping, then there would be a responsibility to move against that and shut it off. It would seem to me, therefore, that while at the outset this sort of arrangement might be used by foreign exporters to cheapen their prices in export trade as against their domestic prices, as long as that was so to any considerable extent it would be very obvious and certainly susceptible to proof that the action being taken was to promote dumping and in violation of the statute which is already on the books.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BAILEY. The proponents of this legislation insist that it is not necessary longer to continue some of the bureaus of the Government charged with the duty of collecting data on foreign costs of production. I am asking the gentleman, if they do not continue to collect such data how are they going to tell whether the Antidumping Act is being enforced? That is the danger to the antidumping legislation, for they will not have any facts from which they can determine whether some importation is a dumping operation or not, because under this bill they would not have to collect data on foreign costs of production.

Mr. HALLECK. If the gentleman will permit me to answer as best I can, dumping in foreign trade has always involved a situation where you sell abroad cheaper than you sell to your own people. That is my understanding of dumping. I have never thought that it had to do with the cost of production. Clearly the one-pricing arrangement here involved would not be such as to preclude the determination of a dumping situation if it became apparent, without regard to the cost of production, that the product was being sold domestically in the foreign country at a price considerably higher than it is being sold for export. Immediately that that appeared, then again, may I say, it is clear under the statutes presently on the books or language included in this act that the situation can be taken care of.

Mr. BAILEY. I would like the gentleman to point out those provisions. They are not in there.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, it has been suggested here this afternoon that Communist Poland is not dumping millions of pounds of canned ham into the United States each year because the price of this Polish import is a few cents a pound higher than ham produced in this country.

When the Polish Communists pour about $16 million worth of canned ham into this country each year and accept only about $1½ million worth of our products that is dumping in my book and it makes no difference how thick or thin the Communist ham is sliced.

To say that this legislation is necessary to strengthen the hand of the President at the forthcoming so-called Big Four Conference has no validity in fact unless it is admitted at the same time by those supporting the bill that it does what they have consistently denied this afternoon—provide further tariff concessions to foreigners to ship their cheap labor products into this country in competition with American agriculture, industry, and labor.

I shall certainly support the motion to recommit this bill and vote against it on final passage if that motion fails.

Mr. COOPER. Mr. Chairman, I yield the balance of my time to the gentleman from Arkansas [Mr. MILLS].

Mr. MASON. Mr. Chairman, before the gentleman begins will he yield?

Mr. MILLS. I yield to the gentleman from Illinois.

Mr. MASON. I just simply want to point out that the only way we can judge the future is by the past. In answer to the question that was raised about our doubts in reference to how this is going to be administered, we judge that for the last twenty-odd years it has not been administered efficiently or in the interests of the American producers. The State Department has engineered and run the whole show.

Mr. MILLS. May I say in answer to the gentleman's observation that we want also to judge the judger's accuracy about the interpretation of the past.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Iowa.

Mr. GROSS. Is there anything in this bill to stop the dumping of 20 million pounds of Polish Communist canned ham in this country each year?

Mr. MILLS. The gentleman from Iowa has raised a point that I had not intended to discuss, but I will go into it in a general way before I get through.

Mr. GROSS. That is the question I wanted to ask the gentleman from Indiana [Mr. HALLECK].

Mr. MILLS. I wish the gentleman had.

Mr. GROSS. Is there anything in this bill to stop dumping? He said it is not occurring except on a certain basis.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to say to my friend from Iowa that I have been as disturbed as he has been at the importation of Polish ham that apparently comes from back of the Iron Curtain. I have undertaken to do something about it. I have made inquiry, I have raised some question about that, and I do not think it has to do with dumping because, as I understand it, the hams that come in here are sold at a pretty high price, at a higher price than the price for American hams. Before the gentleman undertakes to contend with me further, may I say that apart from the whole matter of foreign trade, certainly I have the same concern that he has about any of these matters in trading with countries back of the Iron Curtain. However, such investigation as I have made demonstrates to me that at the moment there may be certain limitations upon what actually might be done in a legal way to deal with that matter. As I said to the gentleman, I am perfectly willing to explore it with him at any time, but if I may say so further, I do not think that has anything to do with the issue that is here being presented to the House.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. It was suggested a moment ago there is nothing in here which has anything to do with Polish hams, whether from behind the Iron Curtain or not, but the fact is if they are not from behind the Iron Curtain there is a reduction effected in the protection of meat and meat products under this bill we are working on now, and I refer to section 2.

Mr. MILLS. Let me, if I may, get into a discussion of the provisions of the bill. The gentleman from Pennsylvania [Mr. SIMPSON] has served notice that he intends to offer a motion to recommit this bill to strike out section 2. One of our colleagues, I believe the gentleman from Illinois [Mr. MASON], referred to section 2 as being the heart or the core of the bill. Some of you to the left of me—I mean by location not by philosophy—will be interested, I am sure, in the fact that the very distinguished and able Assistant Secretary of the Treasury who administers this program, whom we affectionately refer to as "Chappie" Rose, made the statement before our committee that it was his thought, as I recall, that we need have no particular fear with respect to section 2. He frankly stated to the committee, as I remember, in accordance with the statement of the gentleman from Illinois, that without section 2 the administration would not be interested in the bill. I believe that is what he said.

Now let me apologize to my colleagues on the right over here for finding myself again in the position of advocating and trying to espouse the program that the President has laid down. Last year the House passed a provision, almost identical with this, if not identical, as a part of two bills reported from the Committee on Ways and Means. These bills were H. R. 5877 and H. R. 6584 of the 83d Congress.

Now, H. R. 6584, which included a section similar to section 2 of the bill before the House today, was reported by our committee unanimously last year. I do not know whether the gentleman from Illinois was present; I do not know whether the gentleman from Pennsylvania was present when the committee reported that bill, but the record of the proceedings in the committee specifically states that the bill with this provision in it last year was reported from our committee unanimously. The provision of the bill last year was deleted by the Senate Finance Committee. We were told that the reason for the deletion was because the Senate Finance Committee did not have time to conduct full hearings on this particular point. The session was about to close. They wanted to put through the other provisions in the bill.

Now the President comes back this year and requested in his foreign economic policy message to the Congress that we pass again the same provision that we passed last year. During our deliberations in committee on H. R. 6040 there did not appear to be too much opposition to the valuation section, as I remember. The distinguished gentleman from Ohio [Mr. JENKINS], the ranking Republican member on the committee present at this time, has spoken in favor of the bill. Certainly no one can accuse him of being a free trader or of desiring to do things here legislatively that will be injurious to American business.

Now let us look to some of the points that the gentleman from Pennsylvania makes as a reason why this bill should be recommitted and section 2 stricken from the bill. The gentleman says a lot about the fact that we do not make the peril point applicable to this determination. My friends, the peril point has no application whatsoever to this situation. The peril point applies to a particular point of time when a negotiation is being entered into to reduce a duty as of that time.

These statements expressing concern over the alleged absence of peril-point protection exaggerate the possible effect of the valuation provisions on imports into the United States. Taking 1954 as a typical year, total imports amounted to $10,491,000,000. The only part of this $10½ billion which could possibly be affected by the valuation changes is $1.4 billion of imports subject to ad valorem duties. In other words, in only slightly over 10 percent of our imports is valuation an element of duty determination. Moreover, out of this 10 percent of total imports which might be affected, the sample survey made by the Treasury indicated that only $366 million of imports would actually have been changed. It appears, therefore, that the effect of section 2 of this bill would probably be limited to approximately 3 percent of the imports into this country.

Moreover, it is important to remember that domestic industry has no assurance that under existing law it would continue to have the incidental protection resulting from a valuation higher than that placed on the goods in normal wholesale trade with the United States. To a great extent, foreign exporters have it within their power to so change commercial conditions that even under present law the value of the imported commodity would be determined by the going wholesale price to the United States. For example, the Treasury Department pointed out to the Ways and Means Committee that one particular item—synthetic fibers—in the sample survey showed quite a substantial decline in valuation under the proposed valuation standards. Investigation of the reasons for this change revealed that in 1954 valuation was being made on the basis of foreign value. This foreign value was based upon sales in smaller wholesale quantities in the home market and also included excise taxes which were remitted upon exportation. Since that time it has been brought to the attention of the Treasury Department that the home market price is subject to such restrictions on resale that under the present law it cannot be considered a freely offered price. Therefore, valuation of these commodities is now based upon export value to the United States, and this bill would not result in any material change in that valuation.

Valuation of imported goods depends upon commercial practices then in existence and may change from time to time. Accordingly, a change in valuation standards does not change a fixed condition such as is involved in the change of a tariff rate and is not appropriate for a peril-point proceeding. Since the Tariff Commission's determination of peril points are made only in connection

with the economic condition of an industry at a particular time, past peril-point determinations could not be relied upon. Any attempt to introduce a peril-point type of operation as a condition precedent to a change in valuation standards would require such a determination by the Tariff Commission in connection with every importation subject to ad valorem rates of duty. It is obvious that such an undertaking would be administratively impossible, even if the Tariff Commission were free, as it is not, to devote its full time to such a proceeding. Peril-point determinations have no proper relation to customs administrative practices including valuation standards.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, if the gentleman will yield, I am sure the gentleman wants to make a clear statement. The time that the gentleman refers to is today when we pass the law. There is no method by which you know whether the cuts in the bill will endanger any business.

Mr. MILLS. My friend knows there is all the protection that could be written into H. R. 1, which was passed just recently.

Mr. SIMPSON of Pennsylvania. That is after the horse is stolen and after the damage is done.

Mr. MILLS. No, no; my friend knows that it is not after the horse is stolen and the damage is done. The provisions which we agreed to in H. R. 1 have reference not only to actual injury but have reference to the threat of injury. And we say that any time an industry feels itself threatened, it has the right to go to the Tariff Commission, to present its case. That applies just as well to this situation as it does to any other rate changes in effect.

My friend from Pennsylvania [Mr. SIMPSON] is concerned and asks you to be concerned because in some of these situations he finds that the value now assessed on an article may well be reduced by 16 percent. I am sure he intends to be accurate about it, but he says that that means a reduction of perhaps 12 percent to 16 percent in the duty. It does not mean that at all. That is the value on which the ad valorem duty is figured.

Let us see what the justification is for his concern. What are we talking about here? As I have said, we are talking about only approximately $1,400,000,000 of imports into the United States out of a total of $10.5 billion a year, on an ad valorem basis. And out of that figure of $1,400,000,000 the Treasury tells us that only $366 million of imports are involved in any actual change in after-duty cost—$366 million of goods. The average reduction in the after-duty cost of those goods is one-half of 1 percent.

There has been a lot said here about the effect on the chemical industry, a $20-billion industry which faces competition of about $300 million of imports a year. But do you know that out of the entire $300 million of imports involved in this change in valuation by 16 percent only $15 million worth of those imports falls within that category?

To me this sounds like a lot to do about nothing. Why? There is not a thing in the world that has been proposed under this section that cannot be accomplished with respect to any article involved merely by the foreign producer manipulating and regulating his domestic market.

What we are talking about from another point of view is the question of imports that come in at an ad valorem rate on a foreign value. Altogether only 29.07 percent of our imports into the United States come in on the basis of foreign value. We are talking about making all of those appraisements on imports that come into the United States either on the basis of export value, United States value, or some other subsidiary bases of valuation and deleting the foreign-value classification. At the present time 59 percent of all of our exports come in on the basis of export value. The following table indicates the changes in bases of appraisement that would result under H. R. 6040:

Changes in bases of appraisement under customs sample survey

[In percent]

Basis of appraisement	Present law	H. R. 6040
Foreign value	29.07	
Export value	59.12	91.76
United States value	1.11	1.49
Cost of production	10.37	
Constructed value		6.41
American selling price	.33	.34

I say again we are concerning ourselves a great deal about nothing. Then we raise the question about whether or not we are repealing or modifying the antidumping law. All in the world my colleagues have to do is to get the statute and they will readily determine that we are not. There is no place in this statute on antidumping where there is any reference whatsoever to foreign value. The statute specifically says that in consideration of the question of dumping we shall consider foreign market value, which is an entirely different concept from foreign value.

I am certain that we can rely upon this administration which we Democrats sometimes refer to in all seriousness as a "businessman's administration," to look after the interests of American business. I do not say you can do it any better than a Democratic administration can, but certainly you are going to try to do as well. What did the Secretary of the Treasury say about this matter of dumping? The Secretary said—and this is to be found on page 5 of the committee report:

MY DEAR MR. CHAIRMAN: It has come to my attention that in the course of your consideration of section 2 of H. R. 6040, which would amend the valuation standards set forth in section 402 of the Tariff Act of 1930, concern has been expressed that the elimination of a foreign value by this amendment would interfere with the enforcement of the Anti-Dumping Act, 1921.

I wish to advise your committee that it is the firm intention of the Bureau of Customs and the Treasury Department to continue to require foreign-value information—

That is the question raised by the gentleman from Pennsylvania—

as a part of the information contained in customs invoices. Consequently, the Treasury Department will continue to have available to it foreign value information upon which to initiate investigation of possible sales at a dumping price wherever the discrepancy between invoice price and foreign value appears to warrant it.

We say specifically in the bill before us that we do not intend, in fact, nothing is in the bill that in any way modifies or changes this.

Now we talk about the question of this bill itself changing the provisions on countervailing duty. Let us see what we have in the countervailing duty section of the statute. Are we concerned in countervailing duties about the value of something? No. We are not concerned about what its value is, whether it is the United States value, whether it is the foreign value, or whether it is the export value. What we are concerned with is this, and I read:

Whenever any country * * * shall pay or bestow, directly or indirectly, any bounty or grant upon the manufacture or production or export of any article or merchandise manufactured or produced in such country.

Then it follows along as to what shall be done. That is what we are talking about in countervailing duties. It has nothing whatsoever to do with valuation. It does not in any way change the authority that now exists in law for the Secretary to protect American industry from dumping and for the Secretary to protect American industry by applying countervailing duties when a country bestows a bounty or a grant.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman will recall my remark on the floor previously that in appearances before the Tariff Commission they claimed they had not sufficient funds to make investigations abroad on the foreign costs, wage scales, and what have you. Now you are removing responsibility from the Customs Bureau to have that information.

Mr. MILLS. We are not removing that responsibility. I wish the gentleman would permit those of us who are on the committee to explain this thing. As much as I love my friend, every time he mentions customs duties he closes his mind to the great appeal I try to make to convince him and enlighten him on these things. I do not believe he listens to me. I think he is predisposed a little bit before I get a chance to speak.

Mr. BAILEY. I do to a certain extent.

Mr. MILLS. As great a student as he is on these matters, the gentleman sometime or other is going to awaken to the fact that no State in the United States, West Virginia, Arkansas, or any other State, is going to improve from the condition in which the gentleman so ably describes his own State as being by the enforcement of provisions of law that do not permit the exportation of goods from the United States. How in the world can the State of West Virginia, which the gentleman so ably represents, improve from its present situation without our bringing about some improvement in the trade that exists between us and the rest of the world?

Mr. BAILEY. Now that the gentleman has mentioned my name, if he will

yield to me may I say that I listen to him as long as his talks are along the line of reason, but when they become propaganda I am not interested in them.

Mr. MILLS. I appreciate the gentleman's statement that I can effectively propagandize anybody. As to my reasoning, I will plead guilty to weakness in that respect.

Mr. HARRISON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. HARRISON of Virginia. I want to commend the gentleman on his very able, clear, and lucid explanation of this bill. I was impressed with the remark the gentleman made when he started. He apologized for again coming down to the well of the House and taking over the burden of carrying out the President's program. Does not the gentleman think it would be more generous or gracious on his part if he would let the Republican leaders on the committee make his speech for him?

Mr. MILLS. Actually I am not asking that they do that. I am perfectly willing to join them in whatever they want to do to implement this part of the President's program that is before us today. But I frankly am always pleased to recommend to the House those elements of the President's program on which I myself go along.

Mr. HARRISON of Virginia. The gentleman might well have yielded to them on this matter.

Mr. MILLS. I did that merely to call the attention of my colleagues here on the left, and again I say by reason of the fact that their President has asked for it, I think they can go along in this particular instance with the assurance that no serious injury is going to occur to any segment of American industry.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. GAVIN. The bill states its purpose is to amend certain administrative provisions of the tariff act and to repeal obsolete provisions of the customs laws. I have not heard anything at all about the administrative provisions and the obsolete provisions. This has degenerated into a debate on tariffs. I wonder if the gentleman could come back to telling us what this bill is all about and whether this is some new technique that has been conceived of, devised to reach its objectives in lowering the tariffs, without confusing the membership of the House as to the purpose of the bill. Will the gentleman tell us about it?

Mr. MILLS. The gentleman remembers I said I thought this was a whole lot of to do about nothing so far as these tariff matters are concerned that have been discussed. This legislation has been recommended to us, I will say to my friend, the gentleman from Pennsylvania, by members of his administration in whom I have great confidence. Frankly, I know of no man in whom I have any greater confidence than I do in Mr. Rose, Mr. Johnson and Mr. McNeill of the Treasury Department. They presented this legislation to us strictly and solely as a vehicle to bring simplification into the field of valuation which is so basically a part of the assessment of duties when duties are levied on an ad valorem basis.

Mr. GAVIN. Why do we not debate this simplification business and tell us something about it. How are you going to simplify these matters?

Mr. MILLS. I wish the gentleman had made his observation earlier when all these extraneous matters were thrown into the debate. I am merely trying to point out that they are extraneous. The gentleman is exactly right—this bill ought to be debated on the question of whether it is actually bringing about a simplification.

Mr. GAVIN. I have been here since 1:15 p. m. when the debate started, and I am more confused now than I have ever been, and it is quite evident that the committee is, too. Nobody seems to know what it is all about.

Mr. MILLS. I am satisfied that that is not the fault of the gentleman, and I want the RECORD to so reflect, that it is not the fault of the gentleman. But the gentleman from Wisconsin very ably discussed this matter from the point of view of improving customs administration and bringing simplification into the field. I trust the gentleman will read what the gentleman from Wisconsin said.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. SIMPSON of Pennsylvania. Under this bill, there is no question or no denial of the fact that existing protection for certain industries is decreased.

Mr. MILLS. Yes, to the extent on the average of one-half of 1 percent of the duty-paid cost which is computed by applying the percentage reductions in valuation to the average duty rate applicable.

Mr. SIMPSON of Pennsylvania. The gentleman will agree that that could conceivably be the straw that breaks the camel's back; would he not?

Mr. MILLS. Would the gentleman agree with me that if it is the straw that breaks the camel's back, or even threatens to break the camel's back, that he and others have fixed the way to bring about complete relief in that situation?

Mr. SIMPSON of Pennsylvania. We have done our best about it, and I am happy to say that the gentleman helped also to give that assurance this year.

Mr. MILLS. I signed the conference report. Certainly those provisions which we discussed are applicable in this situation.

Mr. SIMPSON of Pennsylvania. I just wish to say that it is unfair, in my opinion, not to give industry any opportunity whatever to appear to present their case and to force them to use the escape clause and relief measures in order to protect their industry and the jobs of American workingmen.

Mr. MILLS. I want to say in just this minute, if I have a minute left, that we should cast our eyes a little further than just on the horizon, which we see immediately ahead of us. The President of the United States is soon going into a four-power meeting of the leaders of four very large nations of the world. He has asked us to permit him the opportunity of going to that particular meeting with recognition on the part of the leaders of the other countries of the world that he speaks not just for a few people in the United States but that he speaks for all the people of the United States in their desire for peace. He has said repeatedly, and it has been stated here, that the cornerstone of his whole foreign policy is economic trade. You cannot rely always on the military. The President has said the cornerstone of the foreign policy is trade with the free world. Are we going to say to him a few days before July 14, just a few days before he goes to the meeting at the summit, that we take from him this weapon which he says is most important?

Let us not recommit the bill in these trying hours and days. Let us look at it in its proper perspective, recognizing that there is no inherent danger to any industry, and let us give the President the power which he seeks and the power which he needs.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. MILLS] has expired.

Under the rule the bill is considered as read. No amendments are in order except those by direction of the Committee on Ways and Means.

The Clerk will report the committee amendment as printed in the bill.

The Clerk read as follows:

Committee amendment: On page 16, line 13, insert:

"SEC. 5. Nothing in this act shall be considered to repeal, modify, or supersede, directly or indirectly, any provision of the Antidumping Act, 1921, as amended (U. S. C., 1952 edition, title 19, secs. 160–173). The Secretary of the Treasury, after consulting with the United States Tariff Commission, shall review the operation and effectiveness of such Antidumping Act and report thereon to the Congress within 1 year after the effective date of this act. In that report, the Secretary shall recommend to the Congress any amendment of such Antidumping Act which he considers desirable or necessary to provide for greater certainty, speed, and efficiency in the enforcement of such Antidumping Act."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Are there any further committee amendments?

Mr. COOPER. Mr. Chairman, there are no further committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BURNSIDE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6040) to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws, pursuant to House Resolution 282, he reported the bill back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I move to recommit the bill H. R. 6040.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SIMPSON of Pennsylvania. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SIMPSON of Pennsylvania moves to recommit the bill H. R. 6040 to the Committee on Ways and Means, with instructions to report it back forthwith, with the following amendment: Strike out all of section 2 and renumber the other sections accordingly.

Mr. COOPER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, on that motion I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 143, nays 232, not voting 59, as follows:

[Roll No. 93]

YEAS—143

Adair	Fjare	O'Neill
Alexander	Flynt	Osmers
Alger	Fogarty	Patterson
Andersen, H. Carl	Forand	Philbin
Andresen, August H.	Ford	Phillips
Andrews	Forrester	Pilcher
Ashmore	Fountain	Poff
Bailey	Frazier	Preston
Barden	Garmatz	Rains
Bates	Gavin	Richards
Beamer	George	Riley
Belcher	Grant	Roberts
Bennett, Mich.	Gross	Robeson, Va.
Berry	Gwinn	Rogers, Colo.
Betts	Haley	Rogers, Mass.
Blitch	Hand	Sadlak
Boland	Harrison, Nebr.	Saylor
Bonner	Hays, Ohio	Schenck
Bosch	Henderson	Scherer
Bow	Hess	Scudder
Bowler	Hoffman, Mich.	Seely-Brown
Bray	Jensen	Selden
Brown, Ga.	Jonas	Shuford
Brown, Ohio	Jones, N. C.	Sieminski
Budge	Kee	Siler
Burdick	Kilburn	Simpson, Pa.
Burnside	King, Pa.	Smith, Kans.
Bush	Knox	Smith, Wis.
Byrd	Laird	Staggers
Carlyle	Landrum	Steed
Carnahan	Lane	Taber
Cederberg	Lanham	Thompson, Mich.
Chenoweth	Latham	Thompson, Tex.
Chiperfield	Long	Thomson, Wyo.
Clevenger	McConnell	Tumulty
Cole	McGregor	Utt
Coon	McIntire	Van Pelt
Cretella	McVey	Van Zandt
Dague	Macdonald	Wharton
Davis, Ga.	Mack, Wash.	Whitten
Davis, Wis.	Mason	Williams, N. Y.
Dawson, Utah	Merrow	Willis
Dies	Miller, N. Y.	Wilson, Calif.
Donohue	Mollohan	Wilson, Ind.
Dorn, S. C.	Nelson	Winstead
Durham	Nicholson	Withrow
Fenton	Norrell	Young
	O'Hara, Minn.	
	O'Konski	

NAYS—232

Abbitt	Friedel	Morano
Abernethy	Fulton	Morgan
Addonizio	Gary	Moss
Albert	Gentry	Moulder
Allen, Calif.	Gordon	Multer
Allen, Ill.	Gray	Murray, Ill.
Anfuso	Green, Oreg.	Murray, Tenn.
Arends	Gregory	Natcher
Ashley	Griffiths	O'Brien, Ill.
Aspinall	Hagen	O'Brien, N. Y.
Auchincloss	Hale	O'Hara, Ill.
Avery	Halleck	Ostertag
Ayres	Harden	Passman
Baker	Hardy	Patman
Baldwin	Harris	Pelly
Barrett	Harrison, Va.	Perkins
Bass, Tenn.	Harvey	Pfost
Baumhart	Hays, Ark.	Pillion
Becker	Hayworth	Poage
Bennett, Fla.	Herlong	Powell
Bentley	Hiestand	Price
Blatnik	Hill	Priest
Boggs	Hillings	Quigley
Bolling	Hinshaw	Rabaut
Bolton, Frances P.	Hoeven	Radwan
Boyle	Holifield	Ray
Brooks, La.	Holmes	Reece, Tenn.
Brooks, Tex.	Holtzman	Rees, Kans.
Brownson	Hope	Reuss
Broyhill	Hosmer	Rhodes, Pa.
Buchanan	Huddleston	Riehlman
Buckley	Hull	Robsion, Ky.
Burleson	Hyde	Rodino
Byrne, Pa.	Ikard	Rogers, Fla.
Byrnes, Wis.	Jackson	Rogers, Tex.
Cannon	Jarman	Rooney
Chase	Jenkins	Roosevelt
Chelf	Jennings	Rutherford
Christopher	Johnson, Calif.	St. George
Chudoff	Johnson, Wis.	Schwenkel
Church	Jones, Ala.	Scott
Clark	Jones, Mo.	Scrivner
Colmer	Karsten	Sheehan
Cooley	Kean	Sheppard
Cooper	Keating	Sikes
Corbett	Kelley, Pa.	Simpson, Ill.
Cramer	Kelly, N. Y.	Sisk
Crumpacker	Keogh	Smith, Miss.
Cunningham	Kilday	Spence
Curtis, Mass.	Kilgore	Springer
Curtis, Mo.	King, Calif.	Sullivan
Davidson	Kirwan	Talle
Dawson, Ill.	Kluczynski	Teague, Calif.
Deane	Knutson	Teague, Tex.
Delaney	Lankford	Thomas
Denton	LeCompte	Thompson, La.
Derounian	Lesinski	Thompson, N. J.
Devereux	Lipscomb	Thornberry
Dixon	Lovre	Trimble
Dodd	McCarthy	Tuck
Dollinger	McCormack	Udall
Dolliver	McDonough	Vanik
Dondero	McDowell	Vinson
Donovan	McMillan	Vorys
Dorn, N. Y.	Machrowicz	Wainwright
Dowdy	Mack, Ill.	Walter
Edmondson	Madden	Watts
Elliott	Magnuson	Weaver
Engle	Mahon	Wickersham
Fallon	Marshall	Wier
Fascell	Martin	Wigglesworth
Feighan	Matthews	Williams, N. J.
Fernandez	Metcalf	Wolverton
Fine	Miller, Calif.	Wright
Fino	Miller, Md.	Yates
Flood	Miller, Nebr.	Younger
Frelinghuysen	Mills	Zablocki
	Minshall	

NOT VOTING—59

Bass, N. H.	Gathings	Mumma
Bell	Granahan	Norblad
Bolton, Oliver P.	Green, Pa.	Polk
Boykin	Gubser	Prouty
Canfield	Hébert	Reed, Ill.
Carrigg	Heselton	Reed, N. Y.
Celler	Hoffman, Ill.	Rhodes, Ariz.
Chatham	Holt	Rivers
Coudert	Horan	Shelley
Davis, Tenn.	James	Short
Dempsey	Johansen	Smith, Va.
Diggs	Judd	Taylor
Dingell	Kearney	Tollefson
Doyle	Kearns	Velde
Eberharter	Klein	Vursell
Ellsworth	Krueger	Westland
Evins	McCulloch	Widnall
Fisher	Mailliard	Williams, Miss.
Gamble	Meader	Wolcott
	Morrison	Zelenko

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Carrigg for, with Mr. Coudert against.

Mr. Taylor for, with Mr. Westland against.

Mr. Reed of New York for, with Mr. Celler against.

Mr. Kearney for, with Mr. Hébert against.

Mr. Chatham for, with Mr. Klein against.

General pairs:

Mr. Boykin with Mr. Bass of New Hampshire.

Mr. Eberharter with Mr. Widnall.

Mr. Morrison with Mr. Heselton.

Mr. Williams of Mississippi with Mr. Judd.

Mr. Polk with Mr. Reed of Illinois.

Mr. Granahan with Mr. Prouty.

Mr. Green of Pennsylvania with Mr. Norblad.

Mr. Dempsey with Mr. McCulloch.

Mr. Evins with Mr. Canfield.

Mr. Doyle with Mr. Horan.

Mr. Shelley with Mr. Wolcott.

Mr. Dingell with Mr. Rhodes of Arizona.

Mr. Kluczynski with Mr. Gubser.

Mr. Rivers with Mr. Tollefson.

Mr. Smith of Virginia with Mr. Ellsworth.

Mr. Fisher with Mr. Hoffman of Illinois.

Mr. Gathings with Mr. Holt.

Mr. Davis of Tennessee with Mr. James.

Mr. Diggs with Mr. Johansen.

Mr. Bell with Mr. Kearns.

Mr. Zelenko with Mr. Gamble.

Mr. McDOWELL, Mr. CHUDOFF, Mr. MADDEN, Mr. BOYLE, Mr. LeCOMPTE, and Mr. JACKSON changed their vote from "yea" to "nay."

Mr. BONNER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed, and a motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTION

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Clerk be directed to correct the spelling of a word on page 2, line 11. The word is now spelled so as to read "important." It should be corrected to read "imported."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON RULES

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

INCREASING PENSIONS TO RECIPIENTS OF THE MEDAL OF HONOR

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 274) providing

for the consideration of H. R. 735, a bill to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

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. 735) to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Veterans' Affairs now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. 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 with or without instructions.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

At this time I yield myself such time as I may require.

Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 735), which has for its purpose increasing the amount paid to those having received the Congressional Medal of Honor from $10 per month to $100 per month. It is a closed rule, a modified rule waiving points of order.

I know of no opposition to the rule at all, and I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MARTIN] such time as he may require.

Mr. MARTIN. Mr. Speaker, I take this time to inquire of the majority leader as to the program for tomorrow.

Mr. McCORMACK. The intention is to meet tomorrow at 11 o'clock.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection?

There was no objection.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. McCORMACK. A resolution has been reported from the Committee on Foreign Affairs, which resolution I introduced. It is a resolution in relation to colonialization, stating the time-honored position of our country in relation to self-government and the ability of people to obtain self-government. It is felt that would be a very appropriate time to take this up. It will be brought up under a unanimous-consent request, with the understanding on the part of the leadership that different Members interested may reserve the right to object and make certain remarks. Then, if the unanimous-consent request is granted, I want to alert the Members that there will probably be a rollcall as an expression of this House, and it may have a good effect upon the minds of the people of the world at this time.

Mr. MARTIN. That will be first on the list tomorrow, aside from any conference reports?

Mr. McCORMACK. Yes. If the conference report on the pay-raise legislation is adopted in the other body, that will be taken up sometime during the day.

Then there is a bill on the program, reported out of the Committee on Foreign Affairs in relation to international claim settlements.

Then I shall ask the indulgence of the House; the Committee on Rules is now meeting in relation to a bill providing for the construction of some atomic vessels, which I understand is a matter of extreme importance. I am not prepared now to state whether it could be considered tomorrow, but if it can be I am going to ask the indulgence of the House that it may be considered.

Mr. MARTIN. Is there anything further today?

Mr. McCORMACK. No. The matter that I was referring to is H. R. 6795, to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes.

So my understanding perhaps is incorrect. May I ask the gentleman from North Carolina [Mr. DURHAM] if there is urgency for action on this bill?

Mr. DURHAM. Will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from North Carolina.

Mr. DURHAM. The necessity and the urgency for this arises from the fact that this year this authorizing legislation has to be passed and the Atomic Energy Commission must go before the Appropriations Committee.

Mr. McCORMACK. Is it a bill which can wait until next week?

Mr. DURHAM. It could.

Mr. McCORMACK. Then I shall not program it for tomorrow but will program it for next week.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from North Carolina.

Mr. BARDEN. I would just like to make this statement. I am not, of course, in position to appraise either the importance or the order in which the gentleman has programed bills for tomorrow, but I fail to see the necessity of meeting before 12 o'clock tomorrow.

I should like to call to the attention of the leadership that it is a rather difficult and embarrassing thing for a chairman to make arrangements for witnesses from far distant points all over the country to appear before legislative committees, and then for them to have to leave and fly home without having a minute's time before the committee. It is utterly impossible for a chairman to operate a committee unless he can know earlier than the evening before as to whether or not he will have a meeting of the committee the next morning.

There have been several occasions recently where this very difficult situation has been presented to chairmen, and they have to absorb justified criticism when they bring witnesses in and cannot let them be heard.

Mr. McCORMACK. The answer, of course, to the observation of the gentleman from North Carolina, that I do not challenge and with which I do not take issue except to this extent, is that it is very seldom this year that this request has been made, and whenever it was made it was always out of regard for the best interests of the membership of the House always having that purpose in mind.

Looking at the bills on the program, as to the Settlements bill I do not know whether there is going to be controversy or not, but from information I have it seems there might be some controversial provisions in the bill, and that it might take some time in debate and under the 5-minute rule.

I might say that if we get through this program tomorrow I shall ask that we go over until Monday. I want to assure the membership that the effort always is so to conduct the business of the House that Members will have an opportunity to do their work. Committees can work on Friday if they desire. Members have plenty of things to do. I know that from my own experience. Certainly, nobody should object to the leadership's trying to have such consideration for the membership of the House.

Mr. BARDEN. I am not questioning the gentleman's consideration for the membership of the House.

Mr. McCORMACK. I did not say the gentleman did. I was giving an explanation. I want the RECORD to show that I did not think for 1 minute the gentleman was questioning it. I simply wanted the RECORD to give the explanation.

Mr. BARDEN. I simply am bringing to the attention of the House something that every committee chairman of this House is confronted with. Occasionally chairmen like to have Friday off, maybe.

Mr. McCORMACK. Correct.

Mr. BARDEN. Now, sometime, somewhere, maybe that will come about.

Mr. MARTIN. Mr. Speaker, has the gentleman concluded his colloquy?

Mr. McCORMACK. The gentleman's committee can meet tomorrow.

Mr. BARDEN. The gentleman does not need to tell me when my committee can meet; I know when my committee can meet, as far as that is concerned. But just let me make this suggestion in all sincerity: If it is at all possible, let the chairmen know before 5 o'clock the day before when we are going to meet at 11 or 10 o'clock the next morning. It is unfair not to do so.

Mr. McCORMACK. May I suggest to the gentleman from North Carolina that

I am human and have certain human limitations.

Mr. BARDEN. Oh, well, now, that is not at issue.

Mr. MARTIN. Mr. Speaker, I remind the gentleman that this is my time.

Mr. GROSS. Mr. Speaker, I should like to ask the gentleman from Massachusetts, have we not progressed far enough in this session so that we can abandon the Thursday to Tuesday club and work once in a while on Friday, meeting at noon on each day? I hope the gentleman will give some consideration to those who live a thousand miles away from our homes and who are stuck here each weekend and cannot go home. I think the gentleman from North Carolina has made a very important point insofar as the chairmen of the committees are concerned.

Mr. McCORMACK. Mr. Speaker, when I make a unanimous-consent request, any Member can object, if he desires to do so, but they better assume that responsibility. I stated the reason. I apologize to no one. This talk about the Thursday to Tuesday club has no foundation, and there is no basis for any such statement, because when I draw up a program there is always legislation that is taken up under the rules that is not controversial. I put that down on a Monday rather than on a Tuesday, Wednesday, and Thursday. Any responsible leadership would do that. It has been done and should be done. There is no time lost.

Mr. GROSS. I may say to the gentleman from Massachusetts, that is usually accompanied by an understanding there will be no record vote on Monday, if something controversial is brought up.

Mr. McCORMACK. For example, a week from Monday will be the Fourth of July. If there is any legislation on Tuesday which I will program involving a rollcall, the gentleman from Iowa would not object to the rollcall going over to the next day, would he?

Mr. GROSS. The gentleman has not so far, but the gentleman from Iowa will begin to object to this business of going over from Thursday until Tuesday.

Mr. McCORMACK. The gentleman has a perfect right to do that and he better do it upon his own responsibility.

Mr. GROSS. The gentleman will be perfectly willing to do it on his own responsibility.

Mr. McCORMACK. If we finish this program tomorrow there is no more legislative program for the rest of the week.

Mr. GROSS. I shall not object at this time, but I shall feel constrained to object in the future.

Mr. McCORMACK. I suggest the gentleman better reconsider that statement.

Mr. ALLEN of Illinois. Mr. Speaker, I have no more requests for time on this side and reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

FREE IMPORTATION OF GIFTS FROM MEMBERS OF THE ARMED FORCES OF THE UNITED STATES ON DUTY ABROAD

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5559) to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, with Senate amendments thereto, disagree to the Senate amendments and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOPER, DINGELL, MILLS, JENKINS, and SIMPSON of Pennsylvania.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries of the House may have permission to sit tomorrow morning during general debate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

SPECIAL ORDER GRANTED

Mr. YATES asked and was given permission to address the House for 20 minutes today, following the legislative program and any special orders heretofore entered.

FEDERAL EMPLOYEES SALARY INCREASE ACT OF 1955

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that the House conferees on the bill (S. 67) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Subcommittees on Health and Science, and Transportation of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PENSION FOR MEDAL OF HONOR HOLDERS

Mr. TEAGUE of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 735) to increase the rate of special pension payable to certain persons awarded the Medal of Honor.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 735, with Mr. IKARD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TEAGUE of Texas. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this is a very simple bill. In 1916 the Congress passed a bill which authorized or directed the Administrator of Veterans' Affairs to pay to each veteran who had been awarded the Congressional Medal of Honor $10 when he reached the age of 65, and who was separated from service. This bill does two things. This bill increases that $10 to $100 and removes the age limitation.

At the present time there are 394 Medal of Honor winners living. Under present law there are 26 of those 394 receiving $10 per month. It has come to the attention of the Committee on Veterans' Affairs that there were a few of our Congressional Medal of Honor winners who were destitute, and the committee recognized that you cannot put a price tag on honor or courage or things of that kind. But, the committee did not think it appropriate that a man who won the Congressional Medal of Honor by our Government should be destitute.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Does this mean that every Medal of Honor winner from this time on, regardless of circumstances, will draw $100 a month?

Mr. TEAGUE of Texas. This bill means every Medal of Honor winner who has been separated from the service. Retired officers would be excluded or any of those retired would be excluded from receiving this money. In other words, every man separated from the service would receive $100 a month. Of course, the great majority of Medal of Honor winners were badly wounded, and many of them have been retired.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Illinois.

Mr. YATES. Is there a right of survivorship to this benefit?

Mr. TEAGUE of Texas. There is nothing concerning survivors, but as far as Medal of Honor winners are concerned, they are treated the same as any other survivor.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. I want to express my support of this bill to the gentleman from Texas. It is similar to a bill of the same nature which I introduced 4 or 5 years ago. I want to con-

gratulate the Committee on Veterans' Affairs for bringing forth this legislation.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. I would like to say that I think this is a very meritorious measure. Simply for the information of the House, would the gentleman advise us of the number of veterans to whom this benefit would apply?

Mr. TEAGUE of Texas. I cannot tell the House the exact number, but there are only 394 living. The Department of Defense advises that it would require a search of some 30,000 records to determine the exact number that it would apply to. There are 26 receiving $10 a month. Of course, the factor of age requirement is being taken off of this bill, and that would add some more, but I think it would affect very few.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from California.

Mr. PHILLIPS. I agree with my colleague from Pennsylvania who just called this meritorious legislation. But I did not understand what the gentleman from Texas [Mr. TEAGUE] said about retirement. Do I understand that if an officer has received the Congressional Medal of Honor and remains in the service and then retires and receives retirement pay, he does not get the amount of money provided in this bill?

Mr. TEAGUE of Texas. Under this bill and under present law, he would not get the money referred to, because the Attorney General of the United States has ruled—it was sometime back in the thirties, 1932 or 1937—that a person who had retired had not been separated from the service.

Mr. PHILLIPS. That would apply to anyone, whether or not he received retirement pay, would it not?

Mr. TEAGUE of Texas. It would apply to any person. If a person received retirement pay, he would not receive this $100.

Mr. PHILLIPS. I am just trying to think this out, if the gentleman will be good enough to yield further. What situations would there be in which a man left the service without getting retirement except for injury or at the end of the war? I suppose those are the two conditions.

Mr. TEAGUE of Texas. If he left the service at the end of the war and was not disabled and received no retirement, but he did receive the Congressional Medal of Honor, he would receive $100 a month.

Mr. PHILLIPS. I thank the gentleman.

Mr. TEAGUE of Texas. The bill is quite restrictive; in fact, probably too restrictive.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Do not those who are still in the service get the same benefit in the way of additional compensation?

Mr. TEAGUE of Texas. Those who are in the service receive no additional benefit.

Mr. ALBERT. I thought additional compensation was paid to enlisted men upon receiving the Congressional Medal of Honor.

Mr. TEAGUE of Texas. No, sir. The Congressional Medal of Honor winner today receives $10 per month when he reaches the age of 65, provided he is separated from the service and receives no retirement pay.

Mr. ALBERT. I think the gentleman has a good bill. I think it should be extended to those in the service, at least in part.

Mr. TEAGUE of Texas. I am inclined to agree with the gentleman.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Chairman, I wish to commend the distinguished gentleman from Texas, the able chairman of the Committee on Veterans' Affairs, for introducing this bill and standing back of it until a rule was obtained from the Rules Committee and the measure brought to the floor for action.

When I first came to the Congress in 1949 one of my constituents, Joseph J. McCarthy, was president of the Congressional Medal of Honor Society. He is supervisor of the ambulance service of the Chicago Fire Department and is a lieutenant-colonel in the Marine Corps Reserve. His outstanding bravery in World War II and the feats of sublime heroism that won him the Medal of Honor are a source of pride to every man, woman, and child in Chicago.

It is he who first informed me of the pitiful neglect of these national heroes upon whom had been bestowed the Congressional Medal of Honor, when the years had passed, youth had departed and sometimes with the passing of years had come adversity.

In the Congresses of which I have been a Member there has been some measure of the character of this before us today always on the Consent Calendar and every time it came up on that calendar it was passed over. Today at long last the measure is before us for a vote and I am certain it will be passed by this House without a dissenting vote. Too much credit cannot be given to the distinguished gentleman from Texas. Again he has proved himself the tried and true friend of the serviceman. Mr. Chairman, the passage of this bill today will reflect the highest and most glorious of patriotic credit upon this body.

Mr. TEAGUE of Texas. I thank the gentleman.

Mr. SIEMINSKI. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from New Jersey.

Mr. SIEMINSKI. Can the gentleman tell me what the reasons were for eliminating any benefits to survivors, such as children, who might, when of age, need this money for further education?

Mr. TEAGUE of Texas. I will say to the gentleman that at the moment there is a very, very exhaustive study being made of the subject of survivors and sometime next month perhaps there will be a bill brought to the floor that will provide considerable help to survivors of servicemen who have died.

Mr. SIEMINSKI. If the gentleman yields further, I was thinking of cases like that of Colin Kelly, who died in action; because of Colin Kelly's valor the President of the United States stated that when Colin's son reached an age when he would be eligible for admission to West Point, he could, if he desired, accept an appointment to West Point. During my campaign for office in the spring of 1950, I called for a Colin Kelly bill, a bill that would extend benefits to survivors of all who gave their lives in war. It seems to me, inasmuch as we are moving in the direction of a man giving his life not only for his country but for his family, we should move toward the survivor approach. I am happy to see that the gentleman contemplates not holding up that benefit too long. It seems to me that the generation coming up could use the pension as much as the man decorated for valor to whom life has dealt an unfortunate blow.

Mr. TEAGUE of Texas. That study has been going on during the past year.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield.

Mr. O'HARA of Minnesota. Will the gentleman tell me whether in the case of a boy who was a Medal of Honor winner in World War II and who was killed in that war and left survivors, his widow or his mother would be entitled to benefits under this bill?

Mr. TEAGUE of Texas. Not because of being a Congressional Medal of Honor winner; no.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from North Carolina.

Mr. JONAS. The survivors in those cases would be entitled to all of the survivors' benefits provided by other law?

Mr. TEAGUE of Texas. That is true. Those survivors would be entitled to a 6-month death gratuity, in some cases they would be entitled to some social security, in some cases they would be entitled to Federal employees' compensation, and all of them would be entitled to Veterans' Administration compensation and some kind of VA insurance.

Mr. JONAS. Do I understand correctly that eligibility for this new benefit is not dependent upon need at all?

Mr. TEAGUE of Texas. No; it is not, but it is written in such a way that it would certainly take care of those in need.

Mr. JONAS. I know; but how about those that are not in need?

Mr. TEAGUE of Texas. I certainly do not think there should be a need clause in this bill.

Mr. JONAS. Do I understand correctly, then, that the $100 per month is made available to all who have been awarded the medal, without regard to need?

Mr. TEAGUE of Texas. And who have been separated from the force. That

means when a man is retired he is drawing his retirement pay, and certainly he is not going to become destitute.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from California.

Mr. SISK. May I commend the gentleman on his statement. I am wholeheartedly in agreement with this legislation. I do feel I would like to see it enlarged to cover all Medal of Honor winners.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I just want to comment briefly as to my understanding of the question that was raised on the matter of need. As I understand, there is no change made in the existing regulation on that question. I do not think there is any distinction made between those in need and those not in need insofar as receiving this payment is concerned. That situation is continued under this legislation.

Mr. TEAGUE of Texas. That is exactly correct.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have no request for time, but I should like to make the statement that it would seem to me to be very horrible to put a need clause in any legislation concerning money or other appreciation given to a Medal of Honor winner. I have previously had bills similar to this introduced in the Congress. Now that this bill is reported from the Committee on Veterans' Affairs, I am delighted, there are several Medal of Honor men in my own district. It will be passed, I believe, without a dissenting voice.

Mr. JONAS. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from North Carolina.

Mr. JONAS. The reason I asked the question about need is that some of the statements made on the floor indicated, as indeed did the gentleman from Texas, that one of the reasons for the bill was to take care of Medal of Honor winners who are in need and to prevent suffering on their part. If the proposal is based upon the desire to relieve winners of the medal from need, then I thought it would be pertinent to inquire if the question of need is involved in determining eligibility for the money stipend.

Mrs. ROGERS of Massachusetts. I realize that the gentleman was not asking that the need clause be put in the bill. It was the fact that many of the men do need the money very badly that we hurried in getting the legislation passed. You do not give a medal to a man because he is in need. It is the principle of the thing that counts. Nor do you give this $100 only to those who need it.

Mr. SCOTT. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. The people of the United States have various ways in which we accord respect to those gallant wearers of the Congressional Medal of Honor, those who survived, and there were not too many of them. Perhaps the Members of the House know that among the honors we tender is the recognition, when a Congressional Medal of Honor man passes in uniform, which is accorded by a salute to him by all officers and enlisted men of all of the armed services from the General of the Army down, from the fleet admirals and the other admirals down. No matter what rank they may hold, a Congressional Medal of Honor wearer is entitled to the first salute. Recently, I traveled on a plane in which a Congressional Medal of Honor wearer was a passenger. He was entitled to leave that plane before everybody, including Cabinet officers and high-ranking military officers. He was entitled to board the plane first for the same reason. These are fine gestures, but what we plan to do here today is something more than a gentle gesture. It is simply a precaution in addition to recognition, but a precaution to make sure that no wearer of the Medal of Honor may ever become so completely destitute or so hard up as to cause bitterness to him or shame to the United States.

Mr. SIEMINSKI. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. SIEMINSKI. Merely to fill out the research data on this survivors bill, of which the gentleman from Texas [Mr. TEAGUE] spoke. I understand there are now 394 Medal of Honor recipients living.

Mrs. ROGERS of Massachusetts. I do not know, but according to the statement I have here, it says 395 living. One may have died since this was issued.

Mr. SIEMINSKI. The purpose of my observation is to learn how many survivors there are of those who earned the medal but did not live to get it in the generation covered by the 394 or 395; if we could have that in the RECORD, we might more clearly establish the need for taking care of the survivors of those who did not come back, but whose children were given the medal in the rose garden at the White House, then walked away, brushing away their tears.

Mrs. ROGERS of Massachusetts. I think that could be ascertained, perhaps not exactly, but very nearly, for the future. It is a fine suggestion.

Mr. SIEMINSKI. I thank the gentlewoman.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, it is indeed a pleasure for me to have the opportunity of supporting this worthwhile measure. I want to congratulate the distinguished chairman, the gentleman from Texas [Mr. TEAGUE], and the other fine members of the Veterans' Affairs Committee for their diligent efforts in reporting out this bill. I happen to have a Congressional Medal of Honor winner in my district who is a personal friend of mine. He is the Honorable Clyde L. Choate, of Anna, Ill. I have read the military record which lead to his receipt of this great Medal of Honor, and I can tell you here this afternoon that it goes far beyond the call of duty. The least I could do for him and the other winners of this great Medal of Honor would be to work for and to support this worthy bill. I hope my colleagues will join with me in displaying our appreciation by voting this bill out unanimously. Thank you very much.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have no further requests for time.

Mr. TEAGUE of Texas. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the substitute committee amendment, printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

That section 1 of the act of April 27, 1916 (39 Stat. 53), as amended (38 U. S. C. 391), is hereby amended by striking out the following: "who has attained or shall attain the age of 65 years,".

SEC. 2. That the first sentence of section 3 of the act of April 27, 1916 (39 Stat. 54), as amended (38 U. S. C. 393), is hereby amended by striking out "$10" and inserting in lieu thereof "$100."

SEC. 3. This act shall take effect on the first day of the second calendar month after its enactment.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 2, line 1, strike out "the following" and on line 2 strike out the period at the end thereof and insert the following: "and by striking out 'and who was' immediately after 'duty,' and inserting in lieu thereof 'and who served as a member of the military or naval service in any active or inactive status (including any retired status), or was'."

Mr. SAYLOR. Mr. Chairman, the amendment sounds very technical, but it is simply an amendment to the act of 1916. Its purpose is to allow any serviceman who received the Congressional Medal of Honor to receive $100 monthly whether he is on active duty or in a retired status.

Under rulings made in the early thirties by the Attorney General, it is impossible for anyone who is on active military duty or anyone in a retired military status to receive $10 when they attain the age of 65. What this amendment does is to allow those people to receive the $100 per month, whether or not they are 65 years of age, and whether they are continued in the service or are on the retired list.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. ALBERT. I want to commend the gentleman for his amendment, because if we penalize those who remain in the service, we are putting indirect needs tests on them, and nobody else, because others coming out of the service and en-

tering other professions have no test applied to them. I do not think we should penalize servicemen, and I commend the gentleman for his amendment.

Mr. SAYLOR. That is the reason I urge this amendment be adopted to treat everyone alike who had earned the Congressional Medal of Honor.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. SCOTT. I think in line with what has just been said, the gentleman's amendment accomplishes an important purpose, because otherwise we would say to those who remain on the retired list or those who remain in the service: "You were brave, but because you were tenacious and loyal and attentive to the needs of the service, you cannot receive recognition which might come to you otherwise."

Mr. SAYLOR. I thank the gentleman for his remarks.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I am very happy to support the gentleman's amendment.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. EDMONDSON. I want to join my colleagues in expressing appreciation of the gentleman's amendment, which I think does something very constructive. I hope the committee will accept it as an amendment to the committee amendment.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. O'HARA of Minnesota. I do not understand the limitation on the age. Do they have to be 65?

Mr. SAYLOR. No. Under the present law they must be 65. This amendment would eliminate the 65-year age requirement.

Mr. TEAGUE of Texas. Mr. Chairman, when the bill was first introduced, it was introduced exactly as this amendment would make it. Our committee was very apprehensive about not placing a price tag on honor. I do not think there is a member of the committee who would object to this amendment, but after considerable discussion the committee finally reported the bill out as it is now before us. However, I do not intend to oppose the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR] to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 735) to increase the rate of special pension payable to certain persons awarded the Medal of Honor, pursuant to House Resolution 274, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

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

The title was amended to read: "A bill to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

THE BOLD, NEW, DYNAMIC INFORMATION PROGRAM

Mr. KARSTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KARSTEN. Mr. Speaker, under the bold, new, dynamic information program announced by the Secretary of Defense, the public can now get both a "Yes" and "No" answer to the same question. The outstanding thing about this program is that both the "Yes" and the "No" come out in the same breath.

To show how the information program operates, I am quoting the following two clippings from this morning's Washington Post and Times Herald:

> The White House denied published reports yesterday that Secretary of the Army Robert T. Stevens had submitted his resignation to President Eisenhower. Presidential Secretary Hagerty said there is no resignation before us at all. He said he knew of no reason to anticipate that Stevens had any plans to resign.

This was on page 40.

On page 47 of the same newspaper in the society column is the following item, entitled "Checking Out":

> Mrs. Robert T. Stevens, wife of the retiring Secretary of the Army, says she will spend the summer in Montana, where she hopes her husband can join her, providing he doesn't have to work beyond the date of his resignation, July 31.

As it turns out, Mrs. Stevens was right, for the Secretary has submitted his resignation.

If the bold, new, dynamic program is designed to confuse the American public, the administration is doing a good job at it.

PERMISSION TO COMMITTEES TO SIT DURING SESSION OF HOUSE TOMORROW

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may sit during general debate in the House tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit during general debate in the House tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SALE OF CERTAIN VESSELS TO CITIZENS OF THE REPUBLIC OF THE PHILIPPINES

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (S. J. Res. 67) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines, to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the resolution.

Mr. GROSS. Mr. Speaker, will the gentleman explain the bill very briefly? Does he include combat vessels? What kind of shipping is it?

Mr. BONNER. The gentleman is right in asking for an explanation inasmuch as there is a report accompanying the resolution.

Following the war and to enable them to resume their interisland commerce special provision was made with respect to the Philippines in the Ship Sales Act. We chartered five small vessels to the Philippines to rehabilitate their interisland commerce. These vessels have been operated under this charter agreement from year to year.

Last year there was a bill before Congress to do this identical thing, provide sale, but on account of certain inequities which were being practiced against American commerce by the Philippine Government this bill was not passed, but the charter was renewed to the extent of one additional year. In a letter dated June 18, 1955 addressed to me from General Romulo, accompanied by copy of a cablegram from President Magsaysay, I and others who object and have protested against these inequities, have been assured that every means would be used to correct same in the next session of the Philippines Congress. This charter and the privilege of buying expires the 30th of this month. Therefore the reason for asking that the bill be considered in this manner.

Mr. GROSS. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of gentleman from North Carolina?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That notwithstanding the provisions of section 14 of the Merchant Ship Sales Act of 1946 (Public Law 321, 79th Cong.), as amended, or any other provisions of law, the Secretary of Commerce is hereby authorized and directed to sell to citizens of the Republic of the Philippines in accordance with the Merchant Ship Sales Act of 1946, 5 vessels named herein: *Carrick Bend, Masthead Knot, Snug Hitch, Boatswains Hitch*, and *Turks Head*, which at present are in the Philippines: *Provided*, That with respect to each of the said vessels one-half of the charter line paid to the United States shall be subtracted from the sales price as additional depreciation for the period beginning July 1, 1954, and ending with the date of execution of the contract of sale of the respective vessel: *And provided further*, That the Secretary of Commerce after consultation with the National Advisory Council in International Monetary and Financial Problems, shall fix the terms of payment on unpaid balances, which terms shall in no event be more favorable than the terms applicable in the case of sales to citizens of the United States.

In determining the order of preference between applicants for the purchase of such vessels, first preference shall be given to the applicants who are charterers of such vessels under the terms of the aforesaid act of April 30, 1946, as amended, at the time of making application to purchase vessels under the terms of this act; second preference shall be given to applicants who suffered losses of interisland tonnage in the interests of the Allied war effort: *Provided*, That applications for the purchase of said vessels are received by the Secretary of Commerce within 1 year after the date of enactment of this act.

Except with the prior approval of the Secretary of Commerce, any vessel sold under this joint resolution shall, for a period of 10 years from the date of sale of the vessel, be operated only in the interisland commerce of the Philippines.

Delivery of the vessels for the purposes of sale shall be made at a port in the Philippines designated by the Secretary of Commerce.

Notwithstanding any other provision of law, the said vessels shall continue to operate in the Philippines under existing charters until such time as the agreements of sale are executed and deliveries of the vessels thereunder are accomplished.

For the purposes of this act, the term "citizen" includes any individual, corporation, partnership, association, or other form of business entity authorized to do business under the laws of the Republic of the Philippines.

With the following committee amendments:

Page 2, line 3, after the word "charter", strike out "line" and insert "hire."

Page 2, line 12, strike out "aforesaid act of April 30, 1946" and insert in lieu thereof "Philippine Rehabilitation Act of 1946."

The committee amendments were agreed to.

The 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.

KEEPING THE RECORD STRAIGHT ON HOUSE RESOLUTION 210 TO INVESTIGATE THE FEDERAL OPEN MARKET COMMITTEE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, when House Resolution 210 was being considered June 15, the gentleman from Virginia, Hon. HOWARD SMITH, chairman of the Committee on Rules, spoke against it. The Republican Members of the House in conference the day preceding consideration of the resolution agreed to vote solidly against it.

Judge SMITH's standing in the House was sufficient to persuade enough Democrats to vote against the resolution to cause its defeat along with a solid Republican vote of opposition. It was disapproved by a rollcall vote of 214 to 178.

I have no desire to reflect on Judge SMITH; in fact I have served with him over a long period of years and I know that he is a man of high character and a very sincere, conscientious Representative in Congress. The fact that he is a successful and well-recognized commercial banker naturally causes more weight to be given to his views.

INCORRECT STATEMENTS

In the debate on House Resolution 210, there were, in all probability, many Members who were doubtful about the effect of this resolution and they certainly did not want to do anything that would upset the economy. Therefore, words of caution along with strong pleas of opposition coming from a distinguished Member like Judge SMITH had tremendous effect. I know Judge SMITH did not intend to deliberately misstate the facts; however, I desire to invite your attention to four statements made by him in his speech opposing the resolution and which are found on page 8313 of the CONGRESSIONAL RECORD for June 15, 1955. The excerpts are as follows:

First:

Anything that might tend to disturb the security market at this time is a thing that is too dangerous for us to take any chances with, and it is purely for that reason that I am opposed to this resolution, because I think it is dangerous. I think it has seeds in it that might with all the publicity that is usually attendant upon a public investigation, will disturb the security market that is too nervous already at this time.

Second:

But I am seriously disturbed by the chance that such an investigation, with the attendant publicity, might well disturb the delicate bond market and the delicate economy that is now resisting pretty successfully the terrific inflationary spiral that is upon us.

Third:

Let us see what could happen to this bond market: 61.7 percent of all bonds of the United States Government are held by your commercial banks. That means that about $180 billion worth of Government bonds are held by the banks of this country. Drop those bonds suddenly five points, let us say, through some disturbance in the present psychology of the country and what would happen to all of your national banks? When things begin to happen to your banking system, what happens to all the rest of the business interests of the country? What happens to the labor situation, for instance, when things begin to go bad? Those are the things I have been fearful of for many years. I am still fearful of them. I am fearful of this proposal to fool with this delicate situation at this time. I do not think it ought to be done.

Fourth:

Mr. MCDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from California.

Mr. MCDONOUGH. The resolution submitted by the gentleman's committee states that this committee shall not undertake any investigation of any matter which is now under active investigation by another committee of the House. From what the gentleman has said up to now, and from what Mr. WOLCOTT has said, the proposal would be a duplication of an active investigation now under consideration by the Joint Committee on the Economic Report; does the gentleman agree?

Mr. SMITH of Virginia. Yes.

These excerpts contain unintentional misrepresentations of fact.

I desire to answer these statements briefly, as follows:

CORRECTIONS

First. The commercial banks do not hold 61.7 percent of all of the bonds of the United States Government.

Second. The banks do not hold $180 billion worth of Government bonds.

FIVE HUNDRED PERCENT WRONG

The facts are that the banks hold about 40 percent, or $37 billion, out of the $87 billion of Government marketable bonds outstanding and less than 40 percent of all marketable Government securities outstanding. Judge SMITH was 500 percent wrong about the amount of bank ownership of Government bonds.

Third. The investigation proposed in House Resolution 210 is not now being duplicated by an investigation by the Joint Committee on the Economic Report.

REACTION TO DEFEAT OF RESOLUTION

Reaction to the negative vote by the House on House Resolution 210 was an encouraging sign to the speculators in Government securities. They immediately proceeded to drive down the prices of outstanding long-term Government bonds. In other words, the result Judge SMITH feared would follow from approval of House Resolution 210 was exactly what happened as a result of its defeat.

The only remaining long-term issue that had not slipped below its par price—the 40-year 3's—began a rapid slide-off on Wednesday shortly after the House vote. On Wednesday and Thursday, they were driven down drastically in price falling twenty-one thirty-seconds in 2 days.

The Humphrey 3¼'s fell off fourteen thirty-seconds on Thursday, the day fol-

lowing the House vote on House Resolution 210.

The Victory Loan 2½'s were off six thirty-seconds in Thursday's trading, closing at 96½.

Defeat of House Resolution 210 could not have had any other result except to undermine the market for United States Government securities. The Federal Open Market Committee, and the New York Federal Reserve Bank in particular, have, in effect, been given carte blanche by the House to continue to manipulate the money market and the prices of Federal debt issues without fear of study or criticism by the Congress.

No one charges these men with dishonesty or illegal acts. But then again, no one can blame bankers for basing their decisions upon their lifetime experience as bankers. And no one can expect bankers to act against their own economic interests. Banking is not a philanthropic institution yet. But who will protect the public interest? This responsibility rested and still rests with the Congress. By their vote against House Resolution 210, the Republican Members and the handful of Democrats, who joined them, abdicated their responsibility to safeguard the public interest.

The stage has now been set for a round of windfall profits in marketable United States Government securities that will make the $416 million earned by the commercial banks in 1954—966.7 percent increase over 1953—look small by comparison. Added impetus has been given to the movement for wider price fluctuations and more frequent price fluctuations in the Government securities market.

Increased price fluctuations will intensify interest and activity by the professional speculator. As a consequence, the United States Government securities market will no longer be viewed as safe by the conservative investor who was content to receive a rather modest rate of interest for his savings.

Because a new element of risk has been introduced into the Government securities market, and particularly because the Congress has let it be known that it will not interfere with the Federal Open Market Committee, the United States Treasury will now have to pay whatever interest on its securities the bankers decide they shall charge. This will put an added burden on the taxpayers. The computed annual interest charge on our direct Federal debt has just reached an alltime high of $6,500,000,000. It will climb rapidly in the next 6 months. Anticipation of higher interest rates is also bound to have a restraining effect upon lenders. This means that groups most dependent upon credit, such as farmers, small-business men, prospective home buyers, moderate- and lower-income consumers, will be facing the same credit squeeze they experienced in 1953. There is no assurance that such a credit squeeze could avert the same consequences that followed in 1953.

DEFEAT TEMPORARY

Defeat of House Resolution 210 has only temporarily deferred an investigation of the Federal Open Market Committee's operations. The fact that Federal Open Market Committee operations led to sharp gyrations in the Government securities market and enabled some to make huge windfall profits at the expense of losses to others makes such a study inevitable.

The issue of whether the public interest or whether the interest of the banking and speculating fraternity shall be served by the Federal Open Market Committee is not dead. Defeat of House Resolution 210 cannot eliminate such a crucial issue.

EDITORIALS FROM NEW YORK JOURNAL OF COMMERCE

Mr. Speaker, I am inserting two editorials from the New York Journal of Commerce. The first one which is entitled "Profits and Politics" appeared in the June 21 edition of the paper. It deals with the House action disapproving House Resolution 210 which would have authorized a study of the operations of the Federal Open Market Committee.

I have a high regard for the editors of this outstanding journal. They rarely fail to reflect accurately the prevailing sentiment in the world of industry and trade. This I have noted has been particularly true in connection with such questions as credit policy. I am naturally disappointed that the editor did not agree with the proposal to study the operations of the Federal Open Market Committee and suggested that the proposal might have been politically motivated. In calling for a study of the Federal Open Market Committee I did not impugn the motives of anyone on that Committee. Regardless of the motives of the policymakers however, I think it is impossible to separate credit policy decisions from their effect on the profitability of the commercial banking system. It was in this connection that I drew attention to the fact that as a result of recent credit policy moves there had been a very substantial rise in bank profits due largely to profits from the sale of government securities.

I am not against profits nor am I opposed to a profitable commercial banking system. I want to see banks profitable so that they can continue to perform their important function in our capitalistic economy. But my interest as a legislator does not end there. I want to see that the public interest and general welfare is safeguarded. Is it in the public interest to have a sharply fluctuating Government securities market? What advantages are gained by having the prices of United States Treasury bonds change as frequently and move as widely as they have recently? What advantage is there in having newly issued United States Treasury bonds fall below their par price? To be sure such fluctuations create the possibilty for large capital gains for some but do they add anything to the stability of the economy? Are they essential in promoting expansion of the economy?

The Open Market Committee is not perfect as the findings of its own ad hoc subcommittee showed.

As far as my ability to conduct an unbiased hearing is concerned, the same misgivings voiced in the Journal of Commerce editorial were printed widely at the beginning of the so-called Patman subcommittee hearings on debt-management and monetary policy. Yet the conduct of those hearings did not produce one shred of evidence that could substantiate the allegations of bias that were made at the start. Indeed, that study was the subject of unanimous approval in the leading journals.

There is one part of the editorial, Politics and Profits, that I will subscribe to and that is the admission that despite the defeat of House Resolution 210 the issue is still very much alive. I am confident that an exhaustive study of the operations of the Federal Open Market Committee, such as I proposed, will in fact be made. It has merely been temporarily postponed.

It is ironic that immediately following the criticism of House Resolution 210 the editors of the Journal of Commerce published a second editorial on June 22, The Credit Control Dilemma, wherein they criticize an important phase of the Open Market Committee's operations. One of the major aspects of Federal Open Market Committee operations which I had intended to scrutinize if the House had passed House Resolution 210 was the so-called bills-only policy which precludes open-market purchases of Government bonds and may thereby be contributing to the instability of Government bond prices.

Mr. Speaker, concerning the question of member banks' losses and chargeoffs on securities exceeding profits on securities in the period 1951–53, I noted that in my remarks in the RECORD on Wednesday, June 15. However, this does not alter the fact that member-bank profits on securities from 1948 to 1953 averaged $52 million a year and suddenly jumped to $375 million in 1954.

In addition, it is important to bear in mind that in 1951–53 certain banks in or near the excess-profits-tax bracket purposely incurred losses for tax purposes at the same time improving their portfolio position.

The Journal of Commerce editorial also suggests that I have exaggerated the return on stockholders' investment in commercial banks by computing after-tax profits on stockholders' capital minus undivided profits and surplus. I have merely sought to show that in terms of the equity contributed by the stockholders that the current rate of return in banking is rather high. A rate of return in a riskless business that will enable a stockholder to recover his equity contribution in a little over 3 years is rather high.

Mr. Speaker, in conclusion, I wish to call attention to the recent behavior of prices in the Government bond market. Up until last Wednesday the Government bond market had shown an underlying condition of strength, notwithstanding the Treasury's difficulty in its May refinancing. It is a paradox that following the defeat of House Resolution 210, which it was alleged would contribute to a weakening of the Government bond market if passed, a persistent decline in

Government bond prices has ensued. I am inserting the following table which shows the closing bid prices for certain United States Treasury long-term bonds from Tuesday, June 14, to Tuesday, June 21:

Issue	Closing bid prices, U. S. Treasury bonds						Total change
	June 14	June 15	June 16	June 17	June 19	June 20	
2½s 1972	96.20	96.18	96.12	96.10	96.10	96.6	14/32
3¼s 1983	107.4	107.2	106.20	106.16	106.16	106.12	24/32
3s 1995	101.9	101.2	100.20	100.14	100.16	100.13	28/32

[From the New York Journal of Commerce of June 21, 1955]

PROFITS AND POLITICS

Despite the colorful warning that the Federal Reserve Open Market Committee "has the power to move mountains if it so desires" along with controlling "the destinies of our economy and our Nation," Congress was not scared into voting broad subpena powers to investigate the Committee and its operations.

Sponsored by Representative WRIGHT PATMAN, Democrat, of Texas, a resolution for the probe was killed by the House after Members replied to his warnings that the monetary authorities were doing quite nicely. It could just be, too, that Mr. PATMAN'S reference to bank profits and crapshooting, during the final debate, impressed some of them with the possibility that the inquiry might not be entirely scholarly and detached.

Bank profits being in some political circles more a subject for allegation than fact, it may be too much to hope that some of Mr. PATMAN'S allegations will die with his resolution.

The fact that member banks of the Federal Reserve System reported net profits of some $1.1 billion after taxes in 1954, representing an increase of 27 percent over 1953, has Mr. PATMAN worried. He especially does not like the "sudden spectacular jump of commercial bank profits" that resulted from the sale of securities—mostly Governments—last year. This represented a gain of $377 million in profits from security sales over the year before—a gain of no less than 966.7 percent.

And Mr. PATMAN goes on to compute the ratio of net profits (after taxes) to capital, coming up with a 1954 result at 31.3 percent. "For a relatively risk-free business," he observes, "a return of 31.3 after taxes on stockholders' capital is a rather high return."

These unhappy results are all attributed to the Open Market Committee, which the Texan appears to view as occupied with juggling Government bond prices about in order to increase bank profits. One of the unfortunate results of impugning motives, of course, is that it tends to distract from the more fruitful inquiry as to whether conditions might have been improved by somewhat different techniques.

It does seem fair to ask, however, why, if the banking authorities are to be blamed for commercial bank profits on securities in 1954, they should not be credited with losses in 1953?

Restrictive monetary policies early in 1953, together with other factors, resulted in large-scale sales by the banks of Government security holdings. The liquidation was of the order of some $4 billion. Loss and chargeoff on securities was in fact high for the years 1951–53, rising to $174 million in 1953.

While much of the loss was offset by tax savings, profits on securities and recoveries were well under losses and chargeoffs on securities for 1953—representing a $129 million loss. In fact, 1954 was the first year since 1946 that the net of member banks' profits on securities, recoveries, losses, and chargeoffs was not a negative figure. These changes, of course, fitted right into Mr. PATMAN'S scheme of things, for he was able to criticize the authorities for their restrictive policies in early 1953, and to complain about profits in 1954 when he got the easy money policies he so much wanted.

In addition to conducting open market operations so as to maximize bank profits, it is intimated that the Federal Reserve Open Market Committee enters the market to support Republican Treasury Departments when they want to float a new issue, but pulls the rug from under Democratic financing ventures. Evidence cited to support this is the fact that the Federal supplied reserves in May at the time of a Treasury financing, but left Treasury Secretary John Snyder stranded back in 1950 when he needed help.

It is not necessary, however, to go back as far as 1950 or to go back to the Democrats for a whopping big example of the Treasury being left stranded. The Republican administration's first long-term financing venture in March 1953 went sour and was left to flounder totally without Federal support.

That may have been a mistake, but it was scarcely political favoritism.

As for the comfortable return of 31.3 percent on capital which the commercial banks are said to have enjoyed in 1954, Mr. PATMAN has computed his profits ratio on the basis of capital, excluding surplus and undivided profits.

Corrected to take these into account, the ratio drops to 9.3 percent. If this figure is regarded as shocking, let it be recalled that it is lower than the ratios for 1944, 1945, and 1946 when the bond market was securely pegged, as Mr. PATMAN and some of his Democratic colleagues so much wish it were today.

[From the New York Journal of Commerce of June 22, 1955]

THE CREDIT CONTROL DILEMMA

An Independent Federal Reserve System, free to formulate credit control policy without political pressures, has often been held up as a supremely desirable objective.

Unfortunately, it is far easier to theorize about the independence of the Federal Reserve System than to realize it in practice, in the complex economy in which we live.

Federal Reserve policy cannot be formulated in a vacuum to pursue theoretically desirable objectives.

Rather, credit policy must take fully into account the administration's desire to maintain economic activity and employment at a high level. And it must also take into account the financing needs and preferences of the United States Treasury.

Right now, a conflict is developing between these not always consistent objectives.

Private demands for credit are increasing as both business and speculative activity expand.

Commercial banks face a growing demand for loans from both business and consumer borrowers. Security collateral loans creep up as the stock market continues to rise into new high ground. The demand for mortgage money tends to outrun the volume of savings, so that a considerable volume of home mortgages is being "warehoused" at commercial banks.

These conditions clearly call for a policy of credit restraint, and for a tightening of interest rates.

The arguments advanced for a restrictive credit policy early in 1953, right after the Eisenhower administration took office and insisted upon an independent Federal Reserve System, are applicable to the current situation. And there are additional arguments for restraint in the accelerated expansion of both consumer borrowing and speculative activity that has taken place in the interim.

Current discussion in financial circles, however, does not center around restrictive measures to restrain credit expansion.

Rather, it revolves around the relative desirability of a reduction in legal reserve requirements of member banks or open market purchases of Government securities by the Federal Reserve banks to aid the Treasury in raising $3 to $4 billion of new money to cover the deficit.

The need for more borrowings both by the private sector of the economy and by the Treasury thus takes precedence over the theoretical need for restraint to check further credit expansion in shaping Federal Reserve decisions.

And there is good reason to doubt whether any other course of action by the Federal Reserve authorities is practicable. Because the price of following a theoretically correct tight money policy at this time could well be a sharp business recession such as occurred last in 1937.

Because the credit needs of business, consumers and the United States Treasury must be taken fully into account, along with the broad desirability of a policy of restraint under existing economic conditions, the Federal Reserve authorities require a large measure of flexibility in their operations.

This they lack because of past decision to pursue theoretically desirable objectives, when practical difficulties were ignored because they did not exist at the time.

To provide new reserves to facilitate Treasury financing and refunding in the months to come, it would be far preferable to utilize open market purchases of Government securities by the Federal Reserve banks. But these may be difficult to effect because the Federal Reserve banks are limited to a bills only policy by the Federal Open Market Committee, while the supply of Treasury bills in the open market is scant due to active bidding for available issues by corporate and other investors.

True, a shortage of Treasury bills could be relieved by new offerings of these securities, but the Treasury is theoretically opposed to further expansion of the public debt and is wedded to the principle of lengthening the average maturity.

And if the Reserve System and Treasury refuse to remove these rigidities that hamper open market operations under present conditions, they could be forced to adopt the far less desirable alternative of a reduction in legal reserve requirements.

As Ed Tyng said in his news report on the front page of the Journal of Commerce yesterday, a lowering of reserve requirements "gives across-the-board relief to the money market, often making credit conditions too easy, whereas open market operations are more selective."

The quandry in which the Federal Reserve System is now finding itself points up the need for more flexibility in Federal Reserve operation.

The situation calls for a little less theory and a little more practical sense. The basically desirable objectives of an independent Federal Reserve System fostering a stable and healthy economy is more likely to be achieved if the system is free to adapt its measures to the needs of the moment, instead of being fenced in by taboos and prohibitions that finally force it to resort to less desirable alternatives.

THE STORY OF ROBERT M. LA FOLLETTE, SR., GREAT CHAMPION OF DEMOCRACY

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, on June 14 a number of Members of this House and of the Senate paid tribute to the memory of Robert M. La Follette, Sr., on the 100th anniversary of his birth. I was one of those who paid my respects to this famous American on this date.

The name of La Follette played an important role in Wisconsin politics for nearly a half century. However, the La Follettes did not build a permanent party in the State. As a State movement, the Progressive Party was doomed to disintegrate and die as national domestic and international problems became more complex.

After the Progressive Party of Wisconsin was laid to rest, the liberal Progressives joined the Democratic Party. The reason for this is simple in that there was and is no other place for liberals in Wisconsin to go. At first the movement of Progressives into the Democratic Party was slow, but in more recent years the switch has been very marked. Thousands of former Progressives have joined the Wisconsin Democratic Party in order to carry on the liberal traditions inaugurated by Robert M. La Follette, Sr. As other thousands of former Progressives are getting their political bearings they are turning to the Democrats—and the Democratic Party of Wisconsin welcomes these former Progressives into its ranks.

Under leave to revise and extend my remarks, I wish to insert in the RECORD an editorial which appeared in the June 18 issue of the Capital Times of Madison, Wis. The editorial, which follows, summarizes some of the accomplishments of Robert M. La Follette, Sr.:

THE STORY OF ROBERT M. LA FOLLETTE, SR.; GREAT CHAMPION OF DEMOCRACY

Wisconsin and the Nation are honoring the memory of a man who was born in a humble log cabin in Dane County 100 years ago and who has become a monumental symbol of faith in the democratic way of life.

During this past week men have risen on the floor of the Congress of the United States to pay tribute to the memory of Robert Marion La Follette, Sr. Tomorrow, in ceremonies here in Wisconsin, the Chief Justice of the United States Supreme Court, will join with the people of Wisconsin in paying tribute to the State's most distinguished son.

There are many things for which Old Bob La Follette is remembered. The great social and economic reforms which he wrought have meant lasting material benefits for millions. His superb statesmanship, his brilliant oratorical artistry, his hatred of war and social injustice, his incorruptibility, his courage in facing adversity—all these things are remembered.

But the thing that marked his life and stands out over all the rest is the unflagging faith he had in democracy. It was a faith that grew out of his limitless confidence in the people and their right to be their own masters.

It was a faith that sustained him throughout his spectacular public career. It began with the first days that he entered politics when he was told by a local Dane County boss that he could not run for district attorney. He began then to take his case to the people and he hewed to that principle for the rest of his life. Out of it came his historic and successful struggle for the free primary in which the nominations of candidates was taken out of the boss-controlled conventions and put into the hands of the people.

In that struggle he learned of the heartache and punishment that can come to a man when the great powerful interests in our society can isolate him and loose a wave of hysteria and hate. In the dark years of World War I he saw old friends and neighbors turn against him in bitter hate. He was burned in effigy and condemned on the campus of the university he loved. The State legislature denounced him with a formal resolution. He was called a traitor and accused of disloyalty.

But he never lost faith that the people, though temporarily at the mercy of the torrents of hysteria that are periodically loosed upon the country, would return to the ancient moorings of calm reason and sound judgment. His faith was not misplaced. In 1922 he again submitted his name as a candidate for the United States Senate and was reelected by the greatest majority ever given to a candidate for public office up to that time. In 1924 he carried the State as an independent candidate for President.

If he were alive today he would again see his faith being sustained as the people emerge from the hysteria of McCarthyism. He would know the satisfaction that this newspaper knows today as we observe the people emerging from the storms of intolerance and returning to the moorings of reason and sanity, as we have so often predicted they would in the past years and months.

It is this faith that is and should be remembered above all else in the colorful career of the man who made Wisconsin known throughout the world as the ideal commonwealth. It is the faith without which the democratic way of life would wither and die.

Few men in the life of this Nation carried that faith more fervently than La Follette. None excels him as its symbol today.

In these days when the democratic way of life has disappeared in vast areas of the earth and is under attack here and abroad, it is fitting that we draw again from the example of La Follette to strengthen our own faith and hope to go back to the fight that the future will inevitably bring.

PERON VERSUS FREEDOM

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, the free world was shocked and stunned by recent events in Argentina. True Americans, who cherish freedom, were profoundly stirred and incensed.

After the blood baths of World War II and Korea, it is incredible that tyrannical dictatorial power should brazenly and cynically declare open warfare on the principle of free religious worship and visit indignity and torture upon eminent religious leaders. Many gallantly fought and died to banish the unspeakable frenzy of religious and racial hatred from the world.

Yet in a neighboring country—right in our own hemisphere—we witness the sad, sorrowful spectacle of a crazed zealot, obsessed by lust for personal power over the lives of men and women, conducting outrageous persecution against a great religious faith, its authorized representatives, its revered leaders, and devout communicants.

Hitler and Stalin could hardly do worse than Peron, who has added another chapter of degradation and infamy to the sordid history of religious persecution. He thereby disqualified himself and his Government from being worthy of the respect of freedom-loving peoples, in fact, by his conduct, he has forfeited the right to be recognized as the head of a state and a Government having relations with decent, honorable, free nations, devoted to democratic ideals.

Unless his scandalous persecution is promptly discontinued and full reparation, apologies, and acknowledgment of the principle of free worship promptly made, I urgently exhort the State Department to sever diplomatic relations with the Argentine Government. There is no place in the society of free nations for leaders or governments which are practicing cruelties and persecutions against organized religion, or against persons conscientiously exercising their religious beliefs. Not just one, but all religions, are seriously challenged by Peron's outrages. All religions should join to deprecate his practices and invoke proper penalties.

This great Nation of ours, which as a whole, is so fundamentally committed to belief in God and the protection of freedom of conscience and worship, should unequivocally and unconditionally renounce close association with a Government whose leadership openly flouts fundamental, human, God-given rights. We should immediately express our official disapproval and strong protests of Peron's infamous actions.

It may well be that the conduct of Dictator Peron has so outraged the conscience of the good and worthy Argentine people that they will be inspired and strengthened to remove this tyrant from leadership. The Argentine people are entitled to our sympathy and our affirmative assistance in throwing off their heavy yoke of bondage and terror.

This issue is: Peron versus freedom. Can our great free Nation afford to remain silent and supine in the presence of this frightful violation of one of our most precious political and spiritual tenets? Let us act now—with dispatch, with honest conviction, and with courage.

Under leave, I include as part of my remarks an excellent editorial from the New Bedford Standard-Times entitled "Person versus Freedom":

PERON VERSUS FREEDOM

Argentine President Juan D. Peron has been an enemy of freedom ever since his rise to power in 1944, but his most forceful assaults against human liberty in the past did not equal in cruelty his current war against the Catholic Church.

The revolt against the Peron regime that began yesterday is the justified action of a people who for more than a decade have seen their freedom steadily melt away in the

ever-tightening grip of the dictator's iron hand. Peron methodically and mercilessly has crushed all who dared to oppose or criticize him. Freedom of the press was one of the early casualties.

In recent months Peron has subjected Catholic leaders to a wave of terrorism reminiscent of tactics employed by Communists against religious leaders in Soviet satellites. Last month the Peron-controlled Argentine Parliament passed a bill calling for election of a constituent assembly to disestablish catholicism as the state religion—a status constitutionally guaranteed the Catholic Church since Argentina won its independence from Spain in 1810.

Clergy and laymen who voiced protest against Peron's anti-Catholic drive have been imprisoned. Churches and parish houses have been entered and searched at will by Peron's troops. This week Peron expelled from Argentina Bishop Manuel Tato of the Buenos Aires Archdiocese and his associate, the Right Reverend Monsignor Ramon Pablo Novoa.

The revolution against Peron began a few hours after he and others in his government were excommunicated from the Catholic Church by the Vatican. Peron, who rose to power through an army-led revolt, depends upon loyalty of his army leaders to crush the revolutionists.

More than 90 percent of the Argentine people are Catholic. Peron's persecution of them and their church is motivated by an insatiable desire for unchallenged dictatorial power, with utter disregard for the wishes of the vast majority of his countrymen. It is the climax of Peron's long campaign to eradicate every vestige of individual liberty from Argentina.

Sympathies of all peoples who cherish religious freedom are with the persecuted millions in Argentina who are valiantly resisting the efforts of an irrational despot to complete their enslavement.

FARM ORGANIZATION STATEMENTS ON DAIRY PROGRAM

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. JOHNSON] is recognized for 20 minutes.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include statements of the National Grange, by Gordon Zimmerman; the National Milk Producers Federation, by J. P. Mason; the American Farm Bureau Federation, by Kenneth Hood; the National Farmers Union, by John Baker; also statements by the Grange, the Farm Bureau, and the Farmers Union; also the National Milk Producers Association; also a statement by Otie M. Reed, Washington representative of the National Creameries Institute and the American Butter Institute; by C. M. DeGolier, president of the Wisconsin Creameries Association; and by George Paul, president of the National Creameries Association.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, on June 8, I inserted in the RECORD one of the statements of the National Farmers Union which outlined their suggestions for a dairy program.

The House Dairy Subcommittee has been holding extensive hearings on the problems affecting more than 2 million dairy farmers in the Nation. Dairy farming accounts for approximately 20 percent of the farm income in the United States.

As the limited number of copies of the Dairy Subcommittee's hearings are exhausted, and a number of Members have requested copies, I have asked for this privilege to make some of the statements a part of the RECORD so that all of my colleagues can study the testimony at their leisure.

I wish to point out that my insertion of these statements in the RECORD does not mean that I subscribe fully to all of the ideas and suggestions contained in the statements. I do believe, however, that most of the statements—particularly of the national farm organizations—should be examined by my colleagues.

At this time I am inserting the statements of the National Grange, by Gordon Zimmerman; of the National Milk Producers Federation, by J. P. Mason; of the American Farm Bureau Federation, by Kenneth Hood; and of the National Farmers Union, by John Baker; by Otie M. Reed, Washington Representative of the National Creameries Institute; and the American Butter Institute; by C. M. DeGolier, president of the Wisconsin Creameries Association; and by George Paul, president of the National Creameries Association.

The statements by the Grange, the Farm Bureau, and the National Farmers Union were made on April 26, 1955. The National Milk Producers Association statement was made before the subcommittee on April 28, 1955. Following are the statements in full:

STATEMENT OF THE NATIONAL GRANGE TO THE DAIRY SUBCOMMITTEE OF THE HOUSE COMMITTEE ON AGRICULTURE BY GORDON K. ZIMMERMAN, APRIL 26, 1955

The National Grange welcomes the opportunity of presenting to this subcommittee some of its views on the dairy situation.

We recognize that total milk production, for a number of reasons, has increased to a record-breaking number of pounds. Production per capita, however, has dropped to an all-time low during the past 3½ years. Meanwhile, consumption of milk and dairy products has been lagging. The use of butter and fluid milk has declined seriously and this drop has not been offset by a sufficiently increased use of fluid milk, ice cream, cheese, and other milk products. As a result, the country has had a surplus of dairy products.

In this situation, the delegate body of the National Grange takes the position that action to increase consumption, especially of fluid milk, is far and away the most desirable of the possible remedies. We are pleased to notice that in recent months the trend of consumption has been upward.

More than a year ago, when surpluses were more acute than they are today, the National Grange began a study of barriers to increased milk consumption. The study was prompted by three positions held then, and now:

1. Increased consumption of fluid milk would be advantageous to all concerned. It would provide a higher blend price for producers. It would favorably influence the business of handlers. And it would be beneficial to consumers.

2. A high level of milk and dairy product consumption is an essential part of a healthy grassland agricultural marketing outlet in the United States.

3. Per capita consumption of fluid milk in the United States is too low—and should be increased. It has been increasing slowly, but on the average, Americans are still drinking less than the minimum nutritional requirements. Dollar for dollar, in terms of food value, milk is probably the least expensive of foods. Yet among the nations of the world, the United States ranks only eighth in milk consumption per capita.

We wanted to find out what was standing in the way of consumption—why we weren't drinking more milk. We found eight reasons:

1. Persistent weakness in milk merchandising over the years. In the judgment of many dairy leaders and marketing experts, milk simply has not been "sold" to the largest group of potential buyers in the Nation. Prof. Herrell DeGraff, of Cornell University, for example, finds that about half the adult population seldom or never drink milk.

2. Serious complacency and resistance to change in the ranks of the industry—including producers, handlers, labor, and others—have held back better merchandising. Immediately, however, it is necessary to say that this is not a universal condition. There are thousands in the industry who are bold and vigorous in their efforts to build milk sales.

3. The lack of a positive, coordinated effort by all the elements of the industry has continued as a block to expanded consumption possibilities. Most parts of the industry seem to be trying to go it alone.

4. Milk delivery labor unions have exerted influence, through contract negotiations and otherwise, to restrict price competition and marketing innovations.

5. Sanitary laws and ordinances, often excessively detailed, have been used in a number of places in a manner that has effectively restricted competition.

6. In 11 States price competition among retail and wholesale milk sellers has been legally eliminated by State laws.

7. Complications have developed from the interpretation of Federal laws. The Sherman Antitrust Act virtually enforces competition. In between, the industry operates in something of a shadowland. Milk sellers who joined forces to push milk sales might be suspected of violating the antitrust laws. On the other hand, sellers engaged in vigorous price competition run the risk of being charged with unfair competition.

8. In recent years many Americans have become weight and calorie conscious. Many apparently regard milk as a fattening food, and have cut down or eliminated altogether their consumption of whole milk, failing to take its sound dietary value into full account.

Copies of this Grange report were provided to all Members of the Congress early this year. The report goes into greater detail, of course, than the brief outline presented here.

In the main we believe that most of these barriers, all except one, can and will be resolved eventually by the industry itself with the aid of consumers. It is true that much more State and local marketing research and information are needed. A great deal of educational work will be required. And although this promises to be a time-consuming program, we believe it is the most promising route in the long run.

We doubt the wisdom of seeking a solution at this time through Federal legislation.

There are some Federal actions, however, that would be helpful. In connection with the Anti-Trust and Federal Trade Commission Acts, some official, advisory statement to the industry would be useful, in our opinion. For example, it would be helpful to get answers to these questions:

How far can producer, distributor, and labor organizations go in joining forces to increase dairy consumption?

What is the dividing line between acceptable competition and unfair competition?

The National Grange also believes that refinements are possible in the Federal milk marketing orders—especially in connection with the pricing formulas used. We believe an analysis of the reserve, or safety margin, factors would be helpful. If calculations are designed to bring forth an unnecessarily large reserve supply in the period of short production, this tends to multiply the size of the surplus during months of heavy production.

And finally, we would like to recommend that a careful study be made, perhaps by the Department of Agriculture, of the possible advantages and disadvantages of regional milk marketing orders. The number of individual marketing order areas has been steadily increasing. The time may not be far off when several of these areas will be bumping up against each other within the same State or region. Since the operation of nearby markets affect each other materially, there may be real merit in the expansion and consolidation of some of the present individual orders on a regional basis.

In all these considerations the prime objective should be increased consumption of fluid milk. Thus the health and well-being of American people will be served and we will augment the income of dairy producers—a highly important segment of agriculture, both economically and socially.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION BEFORE THE HOUSE SUBCOMMITTEE ON FEDERAL MILK MARKETING ORDERS, PRESENTED BY KENNETH HOOD, ASSISTANT SECRETARY, APRIL 26, 1955

The American Farm Bureau Federation appreciates the opportunity to discuss with this committee Federal milk marketing orders and their effect on the dairy industry in various parts of the country.

We have had a long-continued interest in marketing agreements and orders and have supported the basic legislation authorizing this program.

Our 1955 policies adopted at the annual meeting in December 1954 state:

"We favor the use of marketing agreements and orders where producers develop feasible plans."

We believe that marketing agreements and orders are a means of providing a measure of protection to producers of perishable commodities which are difficult to support with loan and purchase programs.

As the committee knows, a number of questions arose during the past year regarding Federal milk marketing orders and their effect on producers outside the order markets. In order to evaluate these criticisms, a committee of American Farm Bureau Federation Board members, together with several members of our staff, early this year began a study of Federal milk marketing orders and their effect on the dairy industry.

Our study has not proceeded far enough for us to be in a position to make any definite recommendations at this time. We would, however, like to submit a brief summary of a preliminary statement which we are circulating among our State farm bureaus for comment and suggestions. While the statement does not contain final conclusions, we feel it may be of assistance to your committee in its study of the Federal milk order program.

We would like to reserve the right to file supplemental information and recommendations at a later date if further investigation discloses information that would be helpful to your committee in its deliberations.

The summary of our preliminary report is as follows:

A STUDY OF FEDERAL MILK MARKET ORDERS

Federal milk market orders, in one form or another, date back to 1933. They have become a recognized technique for determining the price to producers for milk sold for use in fluid-milk markets. In the 22-year period which has elapsed since the start, Federal milk orders have developed into a control program quite generally accepted by the industry as performing a permanent and justifiable Government function.

Although dairy farmers delivering to fluid-milk markets quite generally support Federal milk orders, some criticism has developed mostly from manufactured milk areas where no such procedure is available.

Those who criticize the operation of Federal milk orders do so in most instances on three grounds: First, that the class I pricing is too high and thus encourages overproduction which must go into additional manufactured milk products, thereby further depressing the price of all manufactured products; second, that class II or manufacturing milk prices are below those customarily paid in manufacturing milk plants so that the resulting margin permits handlers to offer the end products at prices below those quoted by midwestern plants; and third, that Federal orders create artificial barriers to the movement of milk.

This study is designed to be an objective, impartial analysis of Federal milk orders, including their operations and the results, with particular emphasis on the most controversial aspects. Although the study is made primarily from the standpoint of analyzing criticisms of Federal milk orders, it also includes some background of the history, development and conditions which brought about the Government's entry into the field of price determination in the fluid-milk industry. No effort has been made to include a study of administrative operations since they are quite generally noncontroversial.

History

Federal authority to regulate the handling of milk was first provided in the Agricultural Adjustment Act of 1933. The Federal milk orders of today, however, are based on the Agricultural Marketing Agreement Act of 1937 which reenacted the authority granted earlier and spelled it out in greater detail.

Under this authority the Secretary of Agriculture is empowered to help stabilize marketing conditions by using Federal orders (regulations enforceable by law) which apply to handlers and producers of milk.

Federal milk control began with a program of agreements and licenses rather than orders, and represented to some extent at least emergency legislation. The original agreements, which were three-way agreements between producers, milk handlers and the Secretary of Agriculture, dealt with retail prices as well as prices to producers. Fifteen such agreements were approved in 1933. Within a short time the retail price provisions were withdrawn and licenses were issued for the next few years.

During the same period, namely, the early 1930's, 29 of the 48 States enacted State milk control laws. These laws provided for price regulation which, in many cases, was on a statewide basis. Most of the State laws were emergency legislation and many were soon allowed to expire. Most of them contained provisions on resale pricing.

Because of the reluctance of milk handlers to enter into an agreement on price with producers, these agreements and licenses finally developed into orders which were signed by the President of the United States, without official approval by the handlers. The Presidential authority to sign on behalf of the Government has been delegated to the Secretary of Agriculture.

During the early years a number of court cases were brought to determine the constitutionality of the Federal law. Most of these problems were cleared up by 1940 through United States Supreme Court decisions. The legal basis for the present enlarged program began with the Agricultural Marketing Agreement Act of 1937, which was supported by Supreme Court decisions upholding its validity in cases involving the New York and Boston milk orders in 1939. The legal status of State milk control has also been clarified. The number of States with State control programs declined to about 15; however, there is a current trend toward more State control laws, although the Oregon milk-control law was repealed by referendum in November 1954.

At the present time there are 55 Federal milk orders in effect, with more in prospect, including some for which promulgation hearings have already been held or announced.

Basic conditions responsible for Federal milk orders

The need for Federal milk orders grew out of serious problems in pricing fluid milk, resulting to some extent from modern marketing methods. Perhaps the most aggravating and difficult problem with which the fluid-milk industry has struggled for many years is seasonal variation of production. Since the demand for fluid milk is relatively stable and the production is subject to wide variation, the problem of surplus and low surplus prices is one with which dairy farmers have been faced historically.

Some surplus milk is necessary to any well-supplied market. A market, to have an adequate supply, usually requires a daily surplus or standby reserve of 10 to 15 percent above average daily sale in order to take care of day-to-day fluctuations in supply and demand. Because of wide seasonal variations in production, the amount of surplus in excess of what is needed may become very substantial during the months of high production. Conversely, the market requirements may exceed production during the months of lowest production. As a result, handlers within the market seek additional producers to get enough milk for the short months, and thereby create a larger surplus in the next flush period. The perishability of milk, which makes it impossible to store supplies in periods of heavy production for needs in the following low-production period, is also a factor which tends toward instability of both milk prices and marketing conditions. Instability has characterized practically all fluid-milk markets historically.

Following World War I, farmers around most of the large cities formed cooperatives in an effort to stabilize prices through collective bargaining with handlers. Efforts of these producer cooperatives were reasonably successful for some years, even though they failed in some instances. During the depression of the early 1930's, many bargaining arrangements broke down and milk prices to producers declined to disastrous levels. As a result, farmers turned to government, either State or Federal, for help.

The response to such requests resulted in a much more completely regulated milk industry for various reasons. Milk is a product which lends itself to regulation because of its perishability and the fact that adequate supplies of milk and dairy products are necessary, not only for normal growth and development of children, but also for optimum health in consumer groups of all ages. The production of milk has been surrounded with requirements in the form of sanitary standards established in both local, State and National milk ordinances since milk generally is considered to be vested with public interest.

The existence of disrupted and disastrous marketing conditions during the early 1930's represents the basic reason why organized milk producers turned to State and local governments for help. It should be remembered that producer cooperatives turned to Government control only when they were unable to enjoy stability in their markets because of events beyond their own control. With the adoption of State and Federal legislation has come the gradual acceptance within the dairy industry of supervision in fluid-milk markets.

An additional occurrence of great significance which further influenced producer cooperatives to turn to Government control was an opinion from United States Attorney General Thurman Arnold about the year 1940.

In a letter to the president of a large milk cooperative, Mr. Arnold stated that in his opinion any discussion of price between representatives of milk handlers and producers meeting in a group would be considered a violation of the Anti-Trust Laws, and that the handlers would be subject to prosecution. Obviously this would render any effective bargaining by producer cooperatives exceedingly difficult, if not impossible.

Objectives and purposes

Federal orders are intended to stabilize market conditions for fluid milk by making the buying and selling and the distribution of fluid milk an orderly process on which dairy farmers, milk distributors and consumers can depend. These orders are designed to promote the interests of producers and to assure consumers of an adequate supply of milk. The basic purposes of Federal Milk Marketing Orders are clearly stated in the legislation authorizing the Secretary of Agriculture to issue such orders. The purposes as stated are to establish and maintain such orderly marketing conditions for milk and its products in interstate commerce as will establish parity prices to farmers; provided that whenever the Secretary finds from a public hearing that parity milk prices for a contemplated order are not reasonable in view of feed prices, feed supplies and other economic conditions affecting market supply and demand in the area, then he shall fix such milk prices in the orders as will (1) reflect such factors, (2) insure an adequate supply of pure and wholesome milk, and (3) be in the public interest.

The scope of the act is quite broad. No order can be made applicable until it has been submitted to a producers' referendum. At least two-thirds of the affected producers must vote in favor of a Federal order before it can be made effective. This applies in the case of a Federal order containing a "marketwide pool." When the contemplated order involves a "handler pool," approval of 75 percent of the producers is required. (In either case the percentage is based upon the number of producers voting.) It is also true that any Federal milk order must be terminated whenever more than 50 percent of the affected producers favor its termination. Approved cooperatives are permitted to cast the vote of all of their members en bloc.

Wide latitude is permitted the Secretary in the development and administration of milk marketing orders. There is no particular uniformity in the provisions of the orders themselves. Some contain a "handler pool" which results in different prices to different producers, based on the actual utilization by each handler. In other cases the "marketwide pool" is used, in which the average utilization of all milk among all dealers is determined and all producers who are the same distance from market receive the same price for milk of equal butterfat content and quality.

Terms and provisions

Provisions for pricing milk in a Federal order quite generally include: (1) a classified price plan based on the use to which the milk is put; (2) distribution of returns to producers on the basis of pooling, with either a marketwide or an individual handler pool; (3) authority for deductions from the payments due producers who are not members of a cooperative for market services similar to those performed by cooperatives, and (4) provisions for financing the administration of the order, auditing of distributors' reports, and dissemination of marketing information.

The authority in the act to prohibit unfair methods of competition and unfair trade practices in the handling of milk has not been used in milk orders. The original marketing agreements and licenses fixed resale prices as well as producer prices, but this practice was discontinued within a short time. The June 1937 legislation specifically prohibits the inclusion of any provision for price-fixing at the resale level in milk orders.

So far this discussion of terms and provisions has been confined to those which are permissive. There are certain actions which cannot be taken in a Federal milk order. One of the most important is covered by Section 608c (5) (G) of the act, which specifies that "no order applicable to milk and its products in any market area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof produced in any production area in the United States." This sentence presumably is designed to prevent milk orders from being used as trade barriers to the shipment of milk in interstate commerce. Other limitations include the following: Handling charges cannot be regulated; the price of milk sold between distributors is not regulated; production of milk is not regulated; new producers are not barred from coming onto the market; and a market is not guaranteed to farmers.

Determination of prices

Prices established in Federal milk orders are not rigid. Since the act in general requires that minimum farm prices for milk be established at levels which (1) reasonably reflect economic conditions affecting the supply and demand for milk, (2) assure an adequate supply of pure and wholesome milk for the market and (3) are in the public interest, pricing techniques have in general followed formulas which allow the minimum price to change automatically along with certain changes in the market conditions for fluid milk.

These formulas are of two general types: (1) those which are based on certain economic factors, as for example the Boston formula, which uses three factors (namely, certain costs of production including wages and the prices of grain feeds, changes in per capita disposable income, changes in the general level of wholesale prices for nearly 900 commodities); (2) in other markets, particularly in the Midwest, a basic type of price formula is quite generally used. This approach bases the price for class I milk on the value of milk for manufacturing purposes and adds to this figure premiums designed to compensate for the additional costs of meeting city inspection and reducing seasonal variations in production. Even though it is not specified, most milk marketing authorities consider that the premium includes a compensation for dependability.

Most of the orders include some form of "supply-demand adjustment" provision which is used when supplies become excessive or short in relation to market requirements. As the name indicates, this device operates automatically to adjust class I prices either up or down when supplies get out of line with market requirements. The principle is quite similar to the "variable support" provisions contained in the act of 1949. Use of the supply-demand adjustment provision is of comparatively recent origin.

Prices for milk in classes other than class I are fixed on a formula basis which relates the prices for such milk to prices for manufactured dairy products, or to prices paid at dairy manufacturing plants for milk used in manufacturing. Consequently, the price to producers is a blend price which depends on the prices set for each of the different classes and the amount of milk in each class. These blend prices may be computed separately for each handler or may be computed for all of the handlers in the market, depending upon whether the market has an individual handler pool or a marketwide pool.

Compensatory payments

Many of the Federal milk orders contain provisions commonly known as compensatory payments. (They are not included in orders which utilize the individual handler pool.) These are payments which regulated milk distributors under a given order must make to the market pool on the fluid milk they buy from nonregulated sources of supply. The amount of such payments is designed to insure that the cost of unregulated milk shall be equal to the cost of regulated milk, and insures uniform product cost between competing handlers. These provisions are among the most misunderstood and the most controversial of all the provisions included in Federal milk orders. They have been labeled trade barriers by some critics.

The use of compensatory payments is a comparatively new development in Federal milk orders. They have been referred to by some critics of Federal milk orders as a means whereby the fluid-milk price in a given order may be protected at an abnormally high level, in that they discourage importation of outside milk through the assessment of an additional payment on such milk. Proponents of the use of compensatory payments claim, among other things, that they are necessary in order to protect and make possible continued use of the classified price system.

Classified pricing

Classified pricing plans for milk are well understood and almost universally accepted in fluid-milk markets today. Classified pricing developed as an alternative to the old flat-price system of pricing milk. Pricing milk according to its utilization by the handler has proven over the years to be the most practical and equitable way in which to assure producers in a fluid-milk market that they will receive a fair return for their product, bearing in mind the generally accepted view that producers are entitled to receive a higher price for milk that is used as fluid milk to compensate them for the costs of meeting sanitary requirements and supplying market needs in the seasons when production is normally lower. This, of course, assumes the proper and adequate auditing of the records of all milk handlers.

Not only is a higher quality of milk required for bottling than for manufacturing purposes, but consumers require a constant year-round supply of fresh-bottled milk, while manufactured dairy products may be stored for relatively long periods. It is quite generally accepted by authorities on fluid-milk marketing that it would be very difficult, if not impossible, to maintain a dependable supply without the use of classified pricing. It is well recognized that it is to the best interest, not only of producers supplying fluid markets, but also to the interest of the markets as a whole to institute classified pricing.

It should be recognized that maintenance of classified pricing requires some type of regulation. If noncooperating buyers can purchase milk on a flat-price basis at a level only slightly higher than the blend price paid by cooperating handlers, the result is that the flat-price handler who buys only enough milk to meet his fluid requirements has a substantial competitive advantage due to his lower class I price.

The case for compensatory payments

The report of the Federal Milk Order Study Committee, appointed by the Secretary of Agriculture, includes a section on the movement of fluid milk and milk products into markets. Differences of opinion on compensatory payments among members proved to be irreconcilable, with the result that this section includes 2 statements, 1 favoring compensatory payments and the other in opposition to them.

An examination of the arguments both for and against the use of compensatory payments in Federal orders indicates that justification for the inclusion of compensatory payments is largely a matter of opinion and that it is an extremely controversial question.

Milk marketing authorities quite generally agree that dependability of supply is not only desirable in a fluid-milk market but is of definite value to handlers, and that recognition of this fact is a consideration in proper pricing of class I milk. Compensatory payments are not levied on such sources of supply as are willing to become a regular source of supply which is recognized under the order. From the evidence, it may be concluded that compensatory-payment provisions in some Federal orders constitute a deterrent to the interstate shipment of milk from a source which is willing to ship to a market only when the price is attractive but which reserves the right to play the field and withdraw its milk at any time that a more lucrative outlet beckons. Whether this represents a barrier is debatable.

Pricing of surplus milk

The second major criticism of Federal milk orders is that in some orders the price of milk used for manufactured products is set at a level which results in a margin wide enough to permit handlers to price the end products of such operations below prices determined by the narrower margins common to manufactured milk plants in the Middle West.

There is no conclusive evidence either to support or disprove this criticism. Differences in the volume of milk available to manufactured-milk plants in Federal order markets, seasonal variations in production, extended periods of time in which such plants are idle, or operating far below capacity because part or all of the milk supply is needed for class I purposes in the market, widely varying transportation costs, etc., all make it impossible to develop any formula for uniform pricing of milk going into manufactured products in the various Federal order markets throughout the country.

Admittedly, the proper pricing of milk used for manufactured products is a most difficult problem and one which must be watched very carefully.

A wide variation exists in prices being paid by manufactured-milk plants in unregulated areas in the United States. There are many examples of plants far removed from Federal order markets where prices paid for manufacturing milk appear to be unduly low.

The effects of Federal orders upon milk production

The third major criticism of Federal milk orders is that the price of class I milk in these orders has resulted in increased production in excess of production increases in nonregulated areas.

It might seem that a direct comparison between production in Federal order markets and production in nonregulated areas over a period of time would supply the answer, but data for such a comparison are both limited and inconclusive. There are very few such sources of information in nonregulated areas.

Receipts at plants included in a Federal marketing order do not necessarily accurately reflect changes in production by producers supplying the market. The report of the Federal Milk Order Study Committee includes the following statement with respect to this issue:

"There is little evidence that Federal orders have increased production more than has occurred in other markets or areas of the country. Due to shifting of plants and producers, the receipts of milk at plants subject to a Federal order do not necessarily reflect changes in area production. In the Northeast, which is the only area for which fairly comprehensive figures are available, total milk production in relation to class I utilization has not been as high as it was in the early forties."

Another approach by which to gage the fitness of Federal order pricing is a comparison of Federal order class I prices and nearby class I prices. The report of the Federal Milk Order Study Committee comments on this as follows:

"Boston and New York are Federal order markets. In the Northeast, Providence, Rochester, and Pittsburgh are markets in which class I prices are established by the respective State milk control agencies. The Boston and Providence milksheds overlap to some extent. The Rochester milkshed is contiguous to New York. In certain areas in western Pennsylvania and Pittsburgh and New York milksheds are contiguous.

"In 1941 the class I prices in the 3 State-regulated markets averaged $3.25, while the average for the 2 federally-regulated markets, Boston and New York, was $2.70. The State-regulated markets exceeded the Federal by $0.55. The absolute difference between the two is not of special significance in this analysis. In this case, part of the difference is due to the fact that in the State-regulated markets the price is an f. o. b. city price, while for the Federal markets it is a price applicable in the 201–202-mile zone. For the period 1940 to 1951 there was no persistent tendency for the margin between these two groups of markets to widen or to narrow. The State-regulated markets exceeded the Federal by a minimum of $0.23 and a maximum of $0.55. From 1951 to 1953 the average class I price in the State-regulated markets increased $0.12, while the average Federal class I price declined $0.41. In 1953 the State markets exceeded the Federal by $0.93. This was by far the widest margin on record, and more than double the average of the preceding 13 years, of $0.39."

A further comparison between class I prices in six non-Federal markets for the years 1940, 1945, and 1953 is included in the following table:

Fluid sales prices in 6 non-Federal markets, 3.5-percent butterfat basis, for the years 1940, 1945, and 1953

Market	1940	1945	1953
Baltimore	2.72	3.85	6.20
Des Moines	2.00	3.00	4.73
El Paso	2.04	3.70	6.65
Houston	2.65	3.72	6.71
Indianapolis	2.17	3.28	4.55
Washington, D. C.	3.24	--------	6.60

Source: Fluid Milk and Cream Report, A. M. S.

Compiled by the Standardization and Program Development Branch, Dairy Division, A. M. S.

Class I prices in 6 Federal order markets

Market	1940	1945	1953
New York	2.61	3.70	5.23
Boston	2.59	3.56	5.03
Chicago	1.94	3.30	4.16
St. Louis	2.26	3.55	4.80
New Orleans	2.13	3.38	6.00
Omaha	2.36	3.05	4.73

Source: Federal Order Market Administration.

The effect of freight rates on interstate movement of milk from Midwest to the East presents some information with regard to the effect of transportation charges in establishing barriers. Here, again, it is interesting to refer to the report of the Federal Milk Order Study Committee:

"Ordinarily there is little fluid milk shipped from the Midwest to the East. In the late forties, when Boston was short of milk, an emergency was declared and handlers were permitted to bring milk into the Boston market from plants outside the Boston milkshed. A considerable part of this emergency milk came from the Midwest.

"In 1953 the Chicago class I price at Shawano, Wis., plus tank-car freight to Boston, averaged $5.73. At the same time, the Boston class I price in the 201–210 mile zone, plus freight to Boston, averaged $5.40. The Chicago order price in northern Wisconsin, plus freight to Boston, averaged 33 cents higher than the Boston price (table I).

"During the 2 years 1949 and 1950 the Boston price exceeded the Chicago price, plus freight, to Boston, by an average of 27 cents per hundredweight of 3.5 milk. In recent years the Chicago price, plus freight, has averaged higher than the Boston price, but there were individual months when the Boston price was the higher. These months were confined, generally, to the fall and winter (table I).

"In the above comparison it should be noted that Shawano, Wis., is on the northern edge of the Chicago milkshed and it carries a minus differential of 22 cents from the Chicago 70-mile zone price."

TABLE I.—*Chicago class I price at Shawano, Wis., plus tank-car freight to Boston, and Boston class I price (201–210-mile zone) plus tank-car freight to Boston—1940–54* [1]

[Dollars per 100 pounds 3.5 milk]

Year	Shawano f. o. b. Boston [2]	Boston f. o. b. Boston [3]	Shawano exceeds Boston	Year	Shawano f. o. b. Boston	Boston f. o. b. Boston	Shawano exceeds Boston
1940	$3.14	$2.86	$0.28	1947	$5.46	$5.25	$0.21
1941	3.57	2.94	.63	1948	6.34	6.02	.32
1942	3.96	3.42	.54	1949	5.42	5.67	−.25
1943	4.57	3.78	.79	1950	5.06	5.36	−.30
1944	4.58	3.84	.74	1951	5.77	5.81	−.04
1945	4.54	3.84	.70	1952	6.33	5.91	.42
1946	5.41	4.42	.99	1953	5.73	5.40	.33

[1] Data supplied by C. W. Swonger.
[2] Currently Chicago 70-mile price, less $0.22 to Shawano, plus $1.79 tank-car freight to Boston.
[3] Currently Boston 201–210-mile price, less 2 points butterfat, plus $0.38 tank-car freight to Boston.

TABLE I.—*Chicago class I price at Shawano, Wis., plus tank-car freight to Boston, and Boston class I price (201–210-mile zone) plus tank-car freight to Boston—1040–54*—Con.

SHAWANO PRICE F. O. B. BOSTON

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1951	$5.45	$5.71	$5.78	$5.85	$5.50	$5.44	$6.00	$5.96	$5.95	$5.89	$5.92	$5.83
1952	6.00	6.09	6.41	6.21	5.98	5.92	6.45	6.47	6.60	6.75	6.72	6.36
1953	6.08	5.88	5.83	5.77	5.42	5.34	5.81	5.77	5.78	5.79	5.83	5.47
1954	5.42	5.41	5.42	5.38	4.86							

BOSTON PRICE F. O. B. BOSTON

1951	$5.62	$5.62	$5.62	$5.63	$5.63	$5.41	$5.63	$5.85	$5.85	$6.29	$6.28	$6.27
1952	5.82	5.82	5.81	5.62	5.63	5.63	5.85	5.83	6.05	6.27	6.28	6.29
1953	5.86	5.86	5.42	4.77	4.77	4.77	4.99	5.20	5.64	5.86	5.86	5.87
1954	5.65	5.42	5.20	5.00	4.79							

MARGIN SHAWANO OVER BOSTON

1951	−$0.17	$0.09	$0.16	$0.22	−$0.13	$0.03	$0.37	$0.11	$0.10	−$0.40	−$0.36	−$0.44
1952	.18	.27	.60	.59	.35	.29	.60	.64	.55	.48	.44	.07
1953	.22	.02	.41	1.00	.65	.57	.82	.57	.14	−.07	−.03	−.40
1954	−.23	−.01	.22	.38	.07							

Summary

1. Milk is a product which lends itself to regulation. Because it is perishable, and has wide use as a nutritious and protective food, it is surrounded with regulations. The production, processing and distribution of milk is subjected to sanitary standards and other rigid controls. Such regulation is generally accepted as being in the public interest.

2. Federal milk orders have been developed over a 22-year period and have now reached the status of a control program quite generally accepted and looked upon as a permanent part of fluid-milk marketing.

3. Federal milk orders are authorized under the Agricultural Marketing Agreement Act of 1937. They grew out of demoralized conditions in milk markets occurring during the depression year when producer prices were completely unrealistic.

4. Classified milk pricing as an accepted method for providing the most satisfactory returns to producers on fluid-milk markets was developed before the institution of Federal milk orders.

5. Stability of prices within fluid-milk markets requires what might be termed some rules and an umpire in the interests of both producers and consumers.

6. Determination of prices, based on a record of testimony prescribed in public hearings presided over by a Government representative, has much to recommend it for a product such as milk which is characterized by perishability, seasonal fluctuations in supply, and the need for some kind of continuing arrangement between producers and handlers.

7. Federal orders are optional with producers operating in a market and must be terminated if a majority of the producers in a market favor termination.

8. No order applicable to milk in a market area may prohibit or in any manner limit the marketing in that area of any milk or product thereof produced in any production area in the United States.

9. Milk under regulation in a Federal order must be priced at levels which are determined to reasonably reflect economic conditions, to assure an adequate supply and be in the public interest.

10. Use of compensatory payments is based on the belief (1) that they are necessary to the maintenance of a classified pricing program in connection with market-wide pools, and (2) that a fluid-milk supply, because of the perishability of the product and the sanitary standards surrounding the production and distribution of fluid milk, and because it is in the public interest, should be an assured supply rather than an intermittent one.

11. Compensatory payments are not levied against sources which are willing to become a part of a regular market supply and to assume the responsibilities of such a supply. Federal orders contain no barriers against shipments of milk under the above-named conditions.

12. There is little evidence to show that production of milk in Federal order markets has increased more rapidly than production of milk in unregulated areas.

13. Prices are not rigid.

14. It seems doubtful that termination of all Federal orders would result in any appreciable increase in interstate shipments of milk.

15. The Federal order program is not perfect. Mistakes have been made which indicate a need for more careful consideration of the pricing provisions, but in general, Federal orders have served a useful purpose. Federal milk orders should be periodically reappraised from the standpoint of possible improvement rather than complete condemnation.

In closing, may we assure you that the American Farm Bureau Federation is interested in improving the operations of Federal milk marketing orders. If it can be demonstrated that changes are necessary in order to promote the welfare of dairymen and the general public, we will be happy to study the facts and make appropriate recommendations.

ROLE OF MILK MARKETING ORDER IN DAIRY FARM INCOME STABILIZATION

(Statement of National Farmers Union before Dairy Subcommittee of House Committee on Agriculture, April 26, 1955)

Mr. Chairman and members of the committee, for the record, I am John A. Baker, assistant to the president for legislative service.

We commend your committee for initiating these hearings and for your plan to make a detailed study of fundamentals instead of a superficial survey of surface semantics.

We appear today in the spirit of Chairman ABERNETHY's statement opening this hearing. Figuratively, he asked all participants in these first phases of your hearings to check their political and organizational guns at the door on the way in. And to confine our statements to matters of noncontroversial facts and reason. We are here today to give you a brief progress report on our dairy research project which is still underway.

The Board of Directors of National Farmers Union, composed of all the State presidents, authorized the initiation of a comprehensive scientific study of the economic problems of milk and their solutions. We went into this study realizing that it was a long-term venture. Our purpose was not to make a dramatic splash of sensational charges against the economic institutions that generations of dairy farmers and their leaders in cooperation with public spirited people have hammered out on the anvil of experience, negotiation, and the democratic spirit of conciliation and compromise. Nor do we believe that the economic problems of milk can be solved through reliance upon the theories and methods of classical economics and superficial statistics.

The problems of the dairy industry are problems of human institutions and involve the consideration of possible improvements in those institutions that have been built up over time as people sought to meet their needs and attain their aspirations through laws, organization, custom and cooperation. To move toward an understanding of possible improvements requires a great deal more than the accumulation of statistics and the application to them of the theoretical ideas used by emerging industrialists in their fight against the restrictions of merchantilism nearly 200 years ago.

Our study is still in progress. We do not have this morning a neat set of tables or list of conclusions to give you. Rather we shall outline for you some of the human and institutional factors that we are convinced must be given full consideration in such a study and to share with you tentative conclusions that we have derived from our study up to date.

First. Milk is unquestionably in politics and has been for over 100 years. Moreover, this has by and large generated good results, rather than bad, for the general public as well as for milk-producing family farmers. This is not surprising because in a democracy, politics includes everyone and deals with every facet of life. If the milk problems of the past had not been solved by political processes, consumers would not have the bountiful supply of sanitary milk at relatively reasonable retail prices they now enjoy. To know this one need only to compare the milk situation in western democracies such as the United States, Canada, Scandinavia, Switzerland with the dairy situation in countries run by dictatorial or imperial principles over the past 100 years. Or closer to home most of us can remember the time of milk strikes when many dairy producers, handlers and distributors traveled armed through the streets of Chicago in bulletproof cars.

Second. We are convinced that the current problems of milk must be solved politically, that is to say, legislatively. The iconoclasts and radicals who propose sensational propositions of returning to a free market in milk are almost surely wrong. Looked at from the consumer end, milk and its products are in the nature of a public utility. Milk and its distribution in sanitary condition is that important to the general public. Therefore, we cannot view with alarm nor point an accusing finger at consumers and their representatives in city and State government who, in the absence of Federal inspection and standards, have acted to protect their ability to insure a continuous supply of sanitary high quality milk, cream and products at reasonable prices. We feel that the general public has been correct in insisting that milk production and distribution not be left entirely to the free market. From the strictly consumer standpoint there are three factors here: obtaining disease-free milk and products, assuming continuous ample supply, and maintaining reasonable retail prices.

Third. Our studies today lead us to the tentative conclusion that local and State control over sanitation and disease prevention related to milk and its products may be outdated. Moreover, we have seen no conclusive evidence that the health of the American people would be endangered by the substitution of Federal milk purity standards

and inspection for existing varying local and State regulations. However, we do not want precipitous action to be taken that might endanger the Nation's health; we hope that your committee will obtain the expert testimony of recognized scientific authorities on this subject so the Nation can learn the factual situation in this regard.

Fourth. Dairy farmers, like farmers generally, are owners and managers of small competitive free private enterprises in a large industry where by its nature the processing and distribution of milk and its products is characterized by a small number of firms, both in local situations and nationally. This structure of the industry would in an otherwise unregulated free market provide the basis for a degree of monopolistic control by handlers as sellers and of monopolistic control as buyers through the medium of administered prices. This in turn means that dairy farmers, as sellers, in a market of monopolistic buyers find themselves at a distinct bargaining disadvantage. To overcome this bargaining disadvantage, milk farmers have used their State and Federal Governments to acquire what Professor Galbraith of Harvard University called countervailing bargaining power. These have taken the form of the economic aspects of city sanitary regulations, of State price regulatory laws, and the Federal milk marketing orders and dairy price support programs.

Fifth. Our study indicates that most, if not all, of the economic, or price and supply affecting, aspects of city milk sanitary regulations were adopted prior to and in the absence of State and Federal programs designed to even-up the bargaining power of milk producers. And, further, that these have been continued over recent years primarily because of milk producers' uncertainty and fears that the Federal programs may not be permanent or fully protective.

Sixth. Our study, also, indicates that the same observation is probably true with respect to State milk price and supply regulations.

Seventh. We have seen no conclusive evidence that indicates that all dairy farmers generally have benefited from State and local economic milk regulations. Many milk producers have benefited but many have not. The point here is that such local and State programs help some but not all dairy farmers. Tentatively, we can say that the local and State regulations appear to have resulted in somewhat restricted supplies of fluid milk to consumers at somewhat higher than necessary retail prices. How much of this is due to the effects of local and State government regulation and how much to the monopolistic character of the milk handling industry in local areas we have not yet been able to determine. We, also, have seen some evidence that indicates that these local and State regulations result in raising barriers against farmers who wish to become producers for the fluid market. They may, thus, have contributed to some extent to lower incomes of milk producers who have not been able to invade the fluid market.

Eighth. Federal milk market orders are designed to insert order and morality into fluid-milk handling and distribution to replace chaos and instability as well as to even-up the milk producers' bargaining position so as to raise his income. Our study already conclusively indicates that milk marketing orders have fulfilled the first function, that order and stability have been brought to the handling and distribution of fluid milk and cream. As to the other function, we have seen no conclusive evidence that, under the circumstances and considering all of them, that milk market orders have very greatly reduced the supply of fluid milk to city consumers nor appreciably raised the retail price. Moreover, we have seen no conclusive or impelling evidence that milk market orders have benefited some milk producers at the expense of others, either in the neighborhood or in more distant areas. We do not wish to add cumulative testimony to that presented by H. L. Forest of the Department of Agriculture on this specific point but to associate ourselves with it. Dr. John B. Black of Harvard University who has studied this carefully tells us, as Mr. Forest did, that the cost of freight and transportation are so high that they, and not Federal milk market orders, have prevented the large interstate shipment of fluid milk. We have not completed our own study on this score and wish to keep an open mind in relation to it.

Our study does indicate that a substantial effort has been made by political elements opposed to price supports to drive demagogic wedges between dairy farmers who live in one area and those who live in other areas. Our study indicates that this effort is designed to discredit the idea that farmers and consumers can use government to acquire countervailing bargaining or market power in relation to monopolistic-type middlemen.

In addition, we have specific evidence of several constructive efforts to work out this problem. To cite one, Governor Harriman of New York, and Freeman of Minnesota, have been in contact on this, and in early May will initiate a series of discussions designed to lead to a friendly accommodation and mutual solution to New York and Minnesota milk problems. Moreover, they have directed their respective commissioners of agriculture, Daniel J. Carey and Barney Allen, to work cooperatively in this direction.

Ninth. Our study already shows conclusively that the local and State regulations in combination with Federal milk orders, even if improved in various ways, provide only incomplete protection even to milk producers who participate in milk order markets and none at all to milk producers outside such areas. The former is true because only the class I milk price is protected by a Federal order. All milk produced in addition to the amount that handlers will buy at the class I price must be sold by producers at what in the absence of a Federal price-support program amounts to a free market price for butterfat and milk that goes into production of butter, cheese, non-fat dry milk, and other products. Many farmers, of course, sell all their milk and butterfat for these latter uses and many other milk producers sell milk for fluid use in markets still unprotected by a Federal market order. This means that both those milk producers outside market order areas and those inside them must for protection look to the Federal price-support programs, the former for all this countervailing market power and the latter for a critical marginal part. It is a matter of deep faith and conviction among Farmers Union members and officials that a gallon of good highly nutritious milk is worth every bit as much as the full parity price thereof and that the families who produce milk deserve and have a right to Government programs to protect a gross return on milk and butterfat equivalent to parity price. Our study of the situation indicates that market milk orders probably cannot in our lifetime, anyway, ever be an adequate complete substitute for an adequate milk and butterfat price-support program. Federal milk orders, however, do not detract from the social and economic usefulness of milk price supports and are in themselves useful.

Tenth, and this is the final point we want to make at this stage of your hearings, our study indicates that retail fluid market prices are higher than they need to be while at the same time the returns received for milk production by farmers both inside and outside Federal order areas is lower than is consistent with healthy farm family life and a continuous ample production of milk. This situation is true our study indicates because:

(a) The national economy is still stagnating in spite of recent increases in business activity and incomes (this indicates a need for further efforts to promote an expanding full employment economy);

(b) Not all potential fluid milk and milk product consumers are able to buy all the milk and products they need for good nutrition. This indicates the need for a national food allotment or stamp or certificate plan in addition to the expanded fluid milk for school programs and similar efforts;

(c) The retail prices of fluid milk and products are higher than the level which will allow the total production to clear the market at 100 percent of parity prices. This seems to indicate the need to authorize the production payment method of support as has been applied to sugar and wool; and

(d) Our inquiries among farmers and their families indicate a line of reasoning about as follows. After we've done everything we can to see to it that all the American people are able to obtain all the milk they need for good nutrition within their purchasing power, then when we have done all this, we do not believe that farmers should waste their time, energy, and resources to produce milk that cannot be sold at a price that will keep dairy-farm families from going bankrupt. Our tentative conclusion is that milk farmers would prefer production control of the marketing quota type combined with production payment price support program as a desirable alternative to disastrously low support levels.

Our study of the dairy problem has progressed along the lines stated in the beginning of this statement. We did not start out thinking we knew all the answers. We knew we didn't. One of our first actions was to ask milk producers from all over the country to meet with us and discuss their problems. This they did, about 1,200 of them, at Madison, Wis., a year ago in January. Most of those who attended were not Farmers Union members, and they were from both political parties. After 3 days of discussion among themselves they adopted the attached statement which I ask be made a part of the record of these hearings immediately following my oral statement. The statement adopted by about 1,200 dairy farmers from all sections of the United States formed the basis for the study we now have underway and do not expect to have completed for several years.

Mr. Chairman, again let me commend the committee for the scholarly manner and statesmanlike way in which you are going about these hearings. The information you are pulling together will help all of us to make more fully considered statements to you when you reach that stage in your hearings when you wish to have us present our specific recommendations for legislative action.

EXHIBIT A

ACTION PROGRAM STATEMENT ADOPTED BY THE NATIONAL FARMERS UNION DAIRY PRODUCERS CONFERENCE IN MADISON, WIS., JANUARY 22–23, 1954

A continuing increased production of milk and the food products manufactured from it must be maintained each year if the increasing population of the United States is to have a nutritionally adequate diet. Dairy farmers are willing and capable of producing a continuing abundance of milk and its products at reasonable prices for American consumers; provided educational research and other services, and income from production and sale of milk and butterfat, are sufficient to enable them to stay in business and earn farm-family incomes equivalent to those earned by other segments of the population.

We dairy farmers assembled at the National Dairy Producers Conference at Madison, Wis., on January 22 and 23, 1954, do hereby adopt the following program statement:

1. We urge enactment by Congress of an amendment to the Agricultural Act of 1949 that will direct the Secretary of Agriculture

to support the prices of milk, butterfat, and its products at 100 percent of parity and that will authorize the Secretary to utilize parity production payments to farmers, in combination with other approved methods of support.

2. We urge the Secretary of Agriculture to announce now his official and definite decision to extend the present dairy price-support program at a minimum of 90 percent of parity.

3. We urge the United States Department of Agriculture to revise the procedures currently utilized in the administration of the dairy price-support program so that the announced level of supports will be actually reflected to dairy farmers in all sections of the country rather than the less than 85-percent supports now received in many areas.

4. We urge that a revised parity formula be adopted so that the calculated parity price for milk producers in different areas will reflect an economic balance with the rest of the economy.

5. We are opposed to enactment of sliding-scale, variable, or flexible price-support levels for any farm commodity. We urge all dairy farmers to join forces with farmers who produce other commodities in the interest of enactment of a sound, fully adequate price-support program.

6. We favor the enactment of an expanded agricultural conservation practices program with sufficient funds to make payments to wheat, corn, cotton, and other producers who put their diverted acres into soil-building annual crops, developing a national soil fertility security reserve rather than using such land for commercial production.

7. We recognize that American consumers cannot maintain and increase their purchases of milk and its products unless they have adequate incomes. Therefore, we urge adoption by business, industry, and Government of economic policies that will promote and encourage national economic expansion at a rate sufficient to maintain prosperous full employment with increased productivity per man, and increased consumption at a rate sufficient to balance expanding production.

8. We urge adoption of special means and programs to enable low-income consumers and relief recipients to increase their purchases of milk and its products through regular channels of trade up to a desirable nutritional standard. Additionally, we urge increased use of milk and its products by the United States Armed Forces, in public welfare institutions, and in the school-lunch program.

9. We urge the establishment of a security stockpile of milk products under provisions of the critical and strategic Material Stockpile Act, such commodities to be purchased in the market, or from Commodity Credit Corporation, at prices provided for disposition of Government-held commodities in section 403 of the Agricultural Act of 1949, including provisions for adequate civil defense needs.

10. We urge the adoption of import and export policies under negotiated international agreements, so that imports of milk and its products will not reduce returns to American dairy farmers below 100 percent of the parity price, and that export markets for United States milk products will be expanded. To the extent that our Government believes that it is in the national interest to promote two-way trade by accepting imports of agricultural commodities that compete with commodities produced on American farms, farmers should not be required to bear the cost; rather this cost should be borne by the entire Nation.

11. Other suggestions recommended for increasing the consumption of milk and its products are:

A. A strengthened educational program to inform consumers of the dietary merits of dairy products, to be carried on through producer- and industry-financed advertising programs, educational courses in the public schools, improved grading procedures to make high quality more readily recognizable by consumers, and legal protection against false or misleading labeling or advertising of competitive and imitation products.

B. Inasmuch as it is clearly demonstrated that increasing the purchasing power of lower-income families results in their increased consumption of dairy products, while equal increases in incomes of higher-income groups does not, we recommend: That any tax reduction made by Federal or State Governments should be tailored to benefit low-income families, preferably by raising the personal exemption; that the legal minimum wage should be raised and extended to additional workers, including agricultural workers; that benefits should be increased, and coverage extended to additional workers, including agricultural workers, of unemployment insurance and workmen's disability programs, that social security benefits be increased and extended to additional workers, including agricultural workers and family-farm operators.

C. Intensified research on marketing and transportation procedures to develop more attractive and appealing products, lower-cost distribution methods, and more effective sales programs to move a greater volume of dairy products at fair prices.

D. Encouragement of action by consumers to achieve more efficient and lower-cost distribution of dairy products at prices fair both to farmers and to consumers through the development of consumer cooperatives able to join with producer cooperatives in establishing a nonprofit "yardstick" for the handling of milk and its products all the way from the producer to the consumer.

E. A broad public appeal to industry, business, and trade unions, to raise wages out of profits without increasing prices, so as to keep purchasing power rising fast enough to balance increasing productivity per man.

12. We urge adoption of Federal legislation to authorize accelerated depreciation for tax purposes and a capital credit program to enable dairy producers' cooperatives and other privately owned dairy processing plants to replace obsolescent plant facilities with modern flexible multiple-purpose dairy plants.

13. We urge enactment by Congress of a loan and service agency and program similar to the cooperative rural electrification program of REA, to assist in the establishment of a nationwide system of dairy marketing and processing cooperatives.

14. We urge dairy farmers to explore the possibilities of setting up national or regional dairy marketing organizations.

15. We urge increased appropriations for research in dairy merchandizing.

16. We urge the Congress to increase appropriations for the school-lunch program in order to increase the use of dairy products, and we recommend that purchases be made from local sources to insure better quality.

17. We urge that milk marketing orders be continued and since milk distribution is now regional instead of local, that Federal orders should be reexamined for their effect on the transfer of milk from one local market to another, and their effect on the locations of production.

18. We urge that costs of distributing dairy products be investigated and appropriate legislation be enacted to insure producers of receiving a fair share of the consumers' dollar.

19. We recommend the establishment of a national grading system for butter and cheese, and that such products be grade labeled in terms understandable to consumers.

20. We ask Congress to enact legislation directing the Armed Forces to use butter and milk products; that farmers and processors make every possible effort to see that such butter and other products are of high quality, and we urge that the Armed Forces use sufficient care in transportation and handling of such products that their high quality is preserved up to the point of consumption.

21. To facilitate product quality improvement, we recommend (a) better coordination of State standards of sanitation and quality inspection across State lines, and that the United States Department of Agriculture engage in activities to bring about this coordination; (b) that the Federal Government assume a greater responsibility in setting standards and promoting the eradication of Bangs disease and tuberculosis; (c) that the Federal appropriation required to support the $25 and $50 indemnity be restored; and (d) that the grade of milk be determined on the basis of flavor, sediment, and bacterial count in addition to the physical surroundings.

22. We recommend appropriation of greater funds for public and private, including cooperative, research, and educational activities designed to discover and encourage the adoption of improved dairy farm management techniques that will reduce the costs of milk production and improve the quality of milk when it leaves the farm. We urge every dairy farmer to avail himself fully of every such service and to adopt such of the improved practices as are adapted to his farm and within his financial resources.

23. In connection with use of parity production payments as a method of supporting the returns from the sale of milk, butterfat, and other perishables, we favor placing a maximum limitation upon the amount of such payments that can be earned by an individual farmer in a single year at the following level:

An individual farmer would be authorized to earn a production payment only upon each unit of the commodity he produces and sells up to a volume of sales so that the total received from sales plus payments would be not more than $25,000 for farms, with average farm-cost-gross-income ratios, or its net income equivalent for types of farms where the ratio of farm costs to farm gross income is greater than under average farm conditions.

24. We wish to express our appreciation to the National Farmers Union for sponsoring this conference which has given dairy farmers from all over the Nation an opportunity to meet together, discuss mutual problems, and to develop this statement of a practical and commonsense program of action in order to approach a solution for these problems.

STATEMENT OF J. P. MASON, DIRECTOR OF THE DIVISION OF ECONOMICS OF THE NATIONAL MILK PRODUCERS FEDERATION, BEFORE THE HOUSE AGRICULTURE DAIRY SUBCOMMITTEE, APRIL 28, 1955

My name is J. P. Mason. I am director of the division of economics of the National Milk Producers Federation with offices at 1731 I Street NW., Washington, D. C.

The National Milk Producers Federation is a nationwide farm organization, the oldest and largest of the agricultural commodity groups in the United States. It is comprised of some 105 dairy cooperative members and many hundred submembers. The federation represents, in total, almost 500,000 dairy farm families. The cooperatives, which these farmers own and control, market every major type of dairy product.

Our purpose in testifying is to provide factual background relating to factors which must be considered in any program involving prices paid farmers delivering milk to fluid milk markets.

Dairying accounts for approximately 20 percent of total cash farm income in the United States. More than 2 million farm families derive all or a major portion of their income from dairy farming. The industry has its roots in almost every county

in the 48 States. Farmers presently maintain a herd of 24½ million cows. Milk and dairy products constitute the greatest single food source toward making the United States the best fed nation on earth.

The dairy industry is large and extremely important to the welfare of the farmers and consumers alike. It is dynamic and is undergoing constant change.

Under these changing conditions many of the problems which come to the forefront—such as those being considered by this committee—involve consideration of economic factors underlying the price structure for fluid milk. The attention being given to the dairy problem is timely in view of the low prices being received by farmers for milk and cream. Chart I shows price movements and production changes over a 20-year period. Prices received by farmers for milk have dropped appreciably since 1952. While prices have been declining, the cost of producing milk has not dropped in proportion.

Consideration of the dairy problem also is significant, both as it concerns farmers supplying manufactured-milk outlets and fluid-milk markets, in view of the increasing portion of the total supply being used for fluid-milk purposes as shown in chart II.

Changes in consumer habits, the growth and movement of population, improved quality, and the progress in packaging and distribution, all play a part. The pricing of milk has become increasingly complicated as a result of these changes taking place within the industry.

The complications, however, do not alter the fundamental considerations necessary for price determination.

Since the price of milk is a matter of concern to producers and consumers alike, it seems desirable to review the basic problems of establishing prices to producers for fluid milk.

The establishment of a price for fluid milk involves many necessary considerations. The least understood is that identical milk, as received from the farm, has more than one value dependent upon the use made of it by the purchasing handler.

Milk used for fluid purposes commands a higher price than the same quality milk used in the production of manufactured dairy products for two reasons:

First, quality requirements for bottled milk are more exacting than for milk used to produce manufactured dairy products; and

Second, consumers require a year-round supply of fresh bottled milk, while manufactured dairy products may be stored from season to season.

Although all of the milk which each farm produces for a fluid-milk market must meet the quality standards for bottled milk, it cannot all be used for that purpose for three primary reasons:

1. Milk production varies from season to season, while consumer requirements do not. To illustrate this variance between milk production and fluid-milk sales, we have inserted chart III, which shows the 1954 experience for the St. Louis market. Chart IV shows the relationship of production and sales for the Chicago market.

2. It is impossible to produce an exact supply of milk to meet market requirements for bottling purposes during the months of short production, or for any other given period. Weather, crop conditions, alternative opportunities available to farmers, and other factors cause shifts in the supply of milk from year to year. Chart V illustrates the changes in total supply of milk for the St. Louis market over a 5-year period.

3. Milk production tends to remain the same on a day-to-day basis throughout the week, while consumer requirements vary considerably. We have analyzed production and sales for a typical week in the St. Louis market. Chart VI shows a straight-line production pattern, including Sunday. Class I sales, however, vary widely from day to day. Labor schedules, holidays, unusual weather conditions, delivery systems, and other factors account for these variations.

Chart VII shows the experience of one of the larger dairies whose business consists of both home delivery and sales through stores. The size and characteristics of this dairy are representative of the industry as a whole in that city. Chart VIII shows the experience of a second dairy, engaged exclusively in the distribution of milk through stores. In both cases there are no Sunday sales, and there are wide variations in daily requirements for the balance of the week. A growing percentage of milk is being distributed through stores and a lower percentage on home delivery routes. One result of this trend has been to widen the daily variations in milk requirements throughout the week. Similarly the introduction of every-other-day and, particularly, 3-times-a-week home delivery in place of the historical 7-day-a-week pattern, has had its effect.

It is enough to say that with yearly variations in production and sales, seasonal variation in production, and daily variation in sales, supplies of milk for a market cannot be geared precisely to its requirements. Furthermore, there must also be enough additional milk on every route and in every store to supply the housewife with that extra quart, whenever she wants it.

If consumers are to have a dependable supply of milk on a year-round basis, and of the quality necessary to meet local requirements and conditions, it follows that the fluid milk market must offer producers a higher price for their milk than that offered by the manufactured milk market.

These prices of necessity must also reflect the added cost of transporting milk from the farm to the city market. These costs are normally higher than for delivering milk from the farm to manufacturing plants because of location. The larger the city, or the milk supply area, the more consideration must be given to transportation costs in arriving at proper prices for fluid milk.

When farm to market transportation costs are deducted from prices received by farmers supplying fluid milk markets, and, similarly, when they are deducted from prices received by farmers supplying manufactured milk plants, it is evident that the difference in prices as between fluid milk markets and manufacturing milk markets are less than they are generally presumed to be.

Charts IX and X show how prices received by farmers at fluid milk markets are affected by transportation from country receiving stations to city markets. In chart IX it becomes evident that Chicago producers delivering grade-A milk to plants in the 220–235 milk zone lose a large share of the higher Chicago price through transportation charges. Similarly the higher prices quoted for St. Louis milk are lost to producers supplying country plants. Chart X shows a comparison of milk prices f. o. b. St. Louis and Lebanon, Mo., 150 miles southwest. Even though the St. Louis price at Lebanon is still somewhat higher than the condensery price, it is clear that producers are not receiving the quoted price for the St. Louis market.

In comparing prices received by producers for milk the cost of transportation should be kept firmly in mind. Transportation costs for milk are high in relation to value because of the bulkiness of the product. For this reason, also, producer prices vary widely from market to market, depending upon the relationship between the amount of milk available within trucking distance and the number of consumers being supplied.

Chart XI shows the density of milk production among the several States. Table No. 1 shows the percent of total milk production contributed by each of the several States and the percent of total population residing in each of the several States and the District of Columbia.

[Dollars per hundredweight]

	Blend prices paid producers for 3.5 percent milk		Prices paid by condenseries for 3.5 percent milk
	Chicago	Shawano	
January	3.73	3.41	3.215
February	3.72*	3.40	3.073
March	3.69	3.37	3.022
April	3.48	3.16	2.865
May	3.15	2.83	2.790
June	3.16	2.84	2.773
July	3.49	3.17	2.868
August	3.53	3.21	2.948
September	3.69	3.37	3.005
October	3.74	3.42	3.107
November	3.80	3.48	3.154
December	3.64	3.32	3.140

[Dollars per hundredweight]

	Blend prices paid producers for 3.5 percent milk		Prices paid by selected Midwest condenseries for 3.5 percent milk
	St. Louis	Lebanon	
January	4.72	4.45	3.19
February	4.28	4.01	3.05
March	4.24	3.97	2.97
April	3.77	3.50	2.82
May	3.50	3.23	2.77
June	3.51	3.24	2.76
July	3.86	3.59	2.85
August	3.94	3.67	2.92
September	4.36	4.09	2.98
October	4.43	4.16	3.07
November	4.45	4.18	3.11
December	4.15	3.88	3.11

TABLE I.—*Percentage of total United States milk production in each State in 1954 and to civilian population as of July 1, 1954*

	Percentage of total milk production	Percentage of total civilian population
Maine	0.6	0.6
New Hampshire	.3	.3
Vermont	1.4	.2
Massachusetts	.7	3.1
Rhode Island	.1	.5
Connecticut	.6	1.4
New York	7.6	9.7
New Jersey	1.0	3.3
Pennsylvania	5.0	6.8
Ohio	4.7	5.4
Indiana	3.1	2.6
Illinois	4.2	5.7
Michigan	4.6	4.4
Wisconsin	13.4	2.2
Minnesota	7.0	1.9
Iowa	4.8	1.7
Missouri	3.6	2.6
North Dakota	1.4	.4
South Dakota	1.1	.4
Nebraska	1.8	.9
Kansas	2.0	1.2
Delaware	.2	.2
Maryland	1.2	1.6
District of Columbia	----------	.5
Virginia	1.6	2.1
West Virginia	.6	1.2
North Carolina	1.4	2.6
South Carolina	.5	1.4
Georgia	1.0	2.2
Florida	.5	2.2
Kentucky	2.0	1.8
Tennessee	2.0	2.1
Alabama	1.1	1.9
Mississippi	1.3	1.4
Arkansas	1.1	1.2
Louisiana	.7	1.8
Oklahoma	1.5	1.4
Texas	2.6	5.2
Montana	.4	.4
Idaho	1.2	.4
Wyoming	.2	.2
Colorado	.7	.9
New Mexico	.2	.5
Arizona	.2	.6
Utah	.6	.5
Nevada	.1	.1
Washington	1.5	1.5
Oregon	1.0	1.0
California	5.7	7.7

Source: Calculated from: Farm Production, Disposition and Income From Milk, 1953–54; and Population Estimates, Bureau of the Census, U. S. Department of Commerce, Jan. 3, 1955.

Even though milk produced for a fluid milk market is priced at a higher level than the manufactured milk price, that portion of milk that is not used for bottling purposes is worth no more money than milk produced specifically for the manufactured milk market. This milk meets the quality standards for the fluid milk market and bears higher transporation costs. But it cannot be priced above the manufactured milk price level because it must be processed into dairy products and sold competitively with other products made from manufactured grade milk.

The higher prices that are necessary to assure a fluid milk market with an adequate and dependable supply, therefore, must be borne by that portion of the milk actually bottled.

Furthermore, since milk produced for a fluid milk market has more than one value, depending upon its use, it is logical that it should be priced to producers on the basis of its utilization.

The necessity of pricing milk on a classified basis was not generally understood by farmers when they first interested themselves as groups in the milk price problem. Attempts to sell milk to handlers by bargaining for a flat price contributed to unstable market conditions because it resulted in unequal costs to handlers for milk used for bottling purposes. This was true because of variations among handlers in the percentage of milk used by each for bottling purposes and for manufactured dairy products. The instability caused by lack of uniformity of cost to handlers for milk used for bottling purposes inevitably broke down the pricing system and led to low producer prices, low quality milk, and low milk consumption.

If a classified system of pricing milk to handlers is employed in a fluid milk market it follows that there must be marketwide participation to avoid penalizing the handlers who pay the full class I price for milk used for bottling purposes.

Milk marketing associations experienced their greatest operating difficulties in their attempts to price milk to handlers on a classified basis under voluntary agreements. Without public regulation, there is a temptation for certain handlers to underreport their bottled milk sales and to overreport their excess production as a means of gaining a competitive cost advantage over other handlers. It is also tempting to some minority of handlers to refuse to participate in a classified pricing agreement in order to gain a cost advantage over those handlers who do participate. Such handlers can take advantage of a classified pricing agreement by paying more for milk than the blend price of the market but less than the price established for class I milk. Supplies of milk which are surplus to adjacent or distant markets can disrupt classified pricing arrangements in the same manner.

When the dairy industry is faced with surplus conditions the classified pricing arrangements become more difficult to maintain, but it is under surplus conditions that the classified pricing system is vital to the interest of farmers.

The demoralized condition of fluid milk markets which followed the economic collapse in 1929 led to the enactment of Federal legislation to regulate producer prices.

If it is necessary to regulate the farm price of milk produced for the bottle-milk trade, the next question is, How should it be done? In light of certain criticisms presently being aimed at the Federal order program a single milk marketing order for the United States might be advanced as a possible solution. Producers have never favored this approach and a nationwide order has not been used or seriously considered for fluid milk. There are many peculiar problems in the fluid-milk industry primarily of a local nature. For example, a single price for class I milk which would be too high in areas of heavy production and low consumer population would be too low in areas where milk production is less favorable and where the urban population is greater. Adjustments to reconcile transportation costs and the supervision and maintenance of quality would immediately complicate such a proposition. A milk marketing order on a nationwide basis would necessarily apply to all milk produced for the fluid-milk industry, regardless of whether all producers needed the program or wanted it. Many groups of farmers do not need regulation nor do they look upon it with favor.

It seems sufficient to conclude that the Federal order program must be operated on a market basis, such as at present, rather than on a national scale. Federal orders have successfully regulated milk prices and maintained orderly marketing conditions in a growing number of our large, complex, cumbersome marketing areas and in many small ones. The advantages of the Federal order program to a large degree accrue from the fact that it can be suited to the local needs of individual marketing areas without regard to State lines. Chart XII shows the counties in the several States from which milk is supplied to the Federal order markets.

Since Federal orders must be applied on a marketing-area basis, it is clear that a definition of the scope of each regulation is necessary. This means that the extent of each "marketing area" must be determined and that "handlers" and "producers" be adequately defined so that the classification and pricing provisions will work to achieve market stability and an adequate supply of high quality milk. Since the milk-marketing orders do not limit the free flow of milk, displacement by lower-priced milk which is surplus to other areas could disrupt markets without such provisions as compensatory payments. Compensatory payments prohibit handlers from hammering down the class I price by picking up an occasional load of milk at the bargain counter.

The operations of Federal milk marketing orders have been satisfactory to producers supplying markets using the program, and the market stability created is in the public interest. The market statistics in themselves have been valuable for providing a basis upon which prices can be properly evaluated.

Any change in the legislation authorizing Federal orders could have a far-reaching effect on producers and the whole dairy economy. No one could argue that the legislation or that the administration of the program is perfect. By the same token the many criticisms which are from time to time aimed at the Federal order program should not be presumed to be valid without detailed investigation of the facts and of the consequences which might result from change.

In the National Milk Producers Federation we have been aware of the current criticisms of the order program. We have been working diligently with other industry groups in an effort to appraise each criticism of the program. Any suggestions that we have to make to improve the Federal order program at the present time can be implemented within the framework of present legislation.

It has been suggested to the committee by some of those who previously testified that one of the ways to solve the entire milk problem is to have large meetings of buyers, producers, consumers, suppliers, and labor so that everyone can express his opinion and secure mutual agreement on all matters pertaining to the dairy business.

While we commend the utopian objective of such a proposal, we would point out that in our experience the divergent points of views of buyers and sellers are impossible to reconcile to the complete satisfaction of either.

The National Milk Producers Federation has been intimately associated with Federal orders since their very inception. We have a Federal order committee which recommends the policy of the federation with respect to legislative action on any phase of Federal orders and with respect to their administration. We attempt to keep our members fully informed as to all provisions of all orders. Members of the Federation are operating under every Federal order in effect today. Therefore, we have not established a study group to find out what the orders are all about.

Our organization is in favor of Federal orders and against any change in the Agricultural Marketing Agreement Act. We believe that Federal orders are good. We continually strive to make them more effective for farmers.

Our organization stands for producers receiving the highest possible price for class I milk consistent with maximum consumption and other necessary considerations, regardless of what sanitary regulations are being enforced. A comparison of class I prices in all areas will sustain the position that freight and handling charges are the main barriers of intermarket shipment of milk. The other important barrier is in the minds of those who would tear down the results of 40 years' work in building high quality, high milk consumption, and at least a semblance of satisfactory class I prices.

In an earnest effort to eliminate confusion and misunderstanding about Federal orders, the federation has met and is meeting with other segments of the industry and the Government.

The following is a statement of policy agreed upon by a joint committee of the Milk Industry Foundation, the Evaporated Milk Association, and the National Milk Producers Federation. These organizations are the main groups that deal every day with the mechanics of Federal orders.

"There has been a substantial and rapid growth of the Federal milk marketing order program since the end of World War II. On December 7, 1941, there were 21 milk orders; and only one of those was issued in 1941. At the end of the war in 1945, there were 26 milk orders. In March 1955, with some orders having been consolidated with others, there were 56 milk orders; and hearings have been held on 7 others. There are requests for hearings on 12 orders and producers in a number of other markets are reported to be considering similar requests.

"From the viewpoint of fluid milk producers these Federal milk orders have undoubtedly achieved their objectives. Particularly in the older markets the orders are well understood, and although improvements can be made, that part of the industry operating under the program views it not only as permanent but also as generally constructive.

"Many of the recent milk orders, however, are applicable to areas without previous experience with milk control or cooperative milk producers' associations. Notwithstanding the years of Federal and State milk regulation, the demand for a Federal milk order finds some of the new markets in substantially the same position with respect to the problems and policies involved in the governmental regulation of milk as existed with the beginning of such regulation in the early 1930's. Apparently many markets have applied for promulgation hearings without an understanding of the responsibilities or limitations of the Federal milk marketing order program, and without exerting all efforts to solve marketing problems between distributors and producers without Federal regulation.

"The factors involved in establishing and maintaining Federal orders are exceedingly

complex. Each order must be geared to local conditions yet must maintain a proper inter-relation between order markets and the general dairy economy. Under these circumstances it is not unreasonable to have questions raised regarding the program. There is reason to believe that improvements could be made in the understanding and appreciation of the objectives and policies of Federal milk market orders as well as in the handling of many specific problems and provisions of such orders.

"It is in the interest of all phases of the dairy industry to eliminate unnecessary areas of confusion, suspicion, and misunderstanding regarding any dairy program. The milk order committees of the Milk Industry Foundation, the Evaporated Milk Association, and the National Milk Producers Federation have considered various phases of the Federal milk order program, including many of the questions that have been raised. These committees, mindful of their responsibility to the dairy industry, have discussed with the Dairy Division of Agricultural Marketing Services, several specific suggestions designed to clarify and improve the program—within the framework of existing law. It is the combined judgment of this group that most, if not all, of the problems can be solved in this way."

The suggestions which have been made cover such matters as the need for a comprehensive guide on practices and policies, improved communication, expediting actions, hearing notices, several basic policies on long-range pricing, compensatory payments, and other problems The detailed suggestions are being worked on, with further meetings scheduled.

STATEMENT OF OTIE M. REED, WASHINGTON REPRESENTATIVE, THE JOINT COMMITTEE OF THE NATIONAL CREAMERIES ASSOCIATION AND THE AMERICAN BUTTER INSTITUTE, BEFORE THE DAIRY SUBCOMMITTEE OF THE HOUSE COMMITTEE ON AGRICULTURE, JUNE 1, 1955

Chairman ABERNETHY and members of the committee, my name is Otie M. Reed, and I am Washington representative of the Joint Committee of the National Creameries Association and the American Butter Institute, with offices at 1107 19th Street NW., Washington 6, D. C.

The joint committee is composed of the National Creameries Association and the American Butter Institute, these organizations having joined together with regard to the conduct of their business before Government departments and the Congress here in Washington on September 1, 1954.

The National Creameries Association is composed of some 950 dairy processing plants, located in the States of Minnesota, Wisconsin, Iowa, North and South Dakota, Kansas, and Nebraska. About 85 percent of the plants that are members of the National Creameries Association are locally owned and operated cooperative associations and the remainder are private corporations.

The American Butter Institute is composed of both corporate firms and cooperative associations with membership in 43 States. The two organizations manufacture and sell most of the creamery butter produced in the United States, and many of the members operate fluid milk plants, cheese factories, nonfat dry milk solids plants, and produce and distribute a complete line of dairy products.

My testimony will be devoted to Federal fluid milk marketing agreements and orders, and the changes we think should be made in these regulations, as well as in the Agricultural Marketing Agreement Act of 1937.

I

Summary and conclusions

The somewhat voluminous statement attached hereto can be summarized briefly as follows:

1. It is the policy of the joint committee to work for improvements in the order system and the elimination of those features of orders which we think are inimical to the public interest and which operate to the disadvantage of producers of manufacturing milk.

2. The orders, while issued to provide an "adequate supply" of fluid milk in fluid milk markets, have as a matter of fact been instrumental in maintaining and increasing surpluses over fluid milk requirements.

3. The facts show that price structures in fluid milk markets are arbitrarily high, leading to the production of excess milk in fluid milk supply areas and in a reduction in consumption in these areas.

4. Compensatory payments operate to limit the movement of qualified milk into fluid milk markets operating under orders and tend to implement a high degree of local monopoly.

5. The practice of classifying "other source" milk in the lowest classes first tends to restrict the entry of qualified milk in fluid milk markets.

6. The arguments of the administrative officials of the Department of Agriculture and proponents of compensatory payments and down classification of "other source" milk, to the effect that these provisions are necessary in order for market pool orders to operate effectively, are unfounded.

7. For many years, orders operated without these provisions and we know of no reason why it should be necessary to include them in orders at this time.

8. If these devices are eliminated, we think such action will go far toward correcting the current inequities which orders now engender between fluid milk producers and manufacturing milk producers.

9. The Dairy Subcommittee can be of material benefit in correcting this situation by either 1 of the 2 following procedures:

(a) In making its formal report to the House Committee on Agriculture it could point up the current features of orders which we believe are improper and as a matter of fact in violation of the Agricultural Marketing Agreement Act of 1937, thereby giving guidance to administrative officials as to the provisions of orders which are not authorized by the act of 1937, or

(b) approve amendments to the Agricultural Marketing Agreement Act which we propose.

In case the subcommittee desires to go the route of recommended amendments, we have several proposed amendments which we will furnish the committee.

II

Policy of the joint committee regarding fluid milk marketing agreements and orders issued pursuant to the Agricultural Marketing Agreement Act of 1937

I want to emphasize to the subcommittee that the organizations I represent are not interested in destroying the marketing agreements and orders, nor in the repeal of the act of 1937.[1]

The policy of the joint committee is as follows:

1. Recognizing that fluid milk orders have exerted a stabilizing effect upon fluid milk markets, the joint committee believes that producers of milk for use in interstate fluid milk markets are entitled to receive the benefits of the stabilized marketing procedures embodied in the orders. To my knowledge, no single organization making up the membership of the joint committee or its member units would advocate revocation of the act of 1937, if the act were properly administered.

2. Our sole interest regarding fluid milk orders is to eliminate certain provisions of such orders which we think are inimical to the public interest, and which operate to the disadvantage of the manufacturing milk producer and to a sound, competitive milk industry in the United States.

To summarize: We do not want to destroy the orders—we wish to eliminate certain provisions which are being used to contribute to (1) a very high degree of local monopoly, (2) inhibit the entry of qualified milk into markets regulated by orders, (3) subsidize the production of vast surpluses over fluid milk needs in fluid milk markets by arbitrary pricing of milk used for fluid consumption.

III

Criteria for the issuance of Federal milk marketing orders, and price criteria used in establishing order prices

A. Criteria—act of 1937: The purpose of the Congress in granting the powers and authority for regulating the marketing of milk in fluid milk markets is found in the Agricultural Marketing Agreement Act of 1937, which reenacted, amended, and supplemented the marketing agreement and order provisions of the Agricultural Adjustment Act of 1935, which in turn represented a system of major amendments to the original Agricultural Adjustment Act of 1933.

The policy of the Congress was stated to be that—

1. Through conferring upon the Secretary the powers contained in the act, to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish as prices to farmers, parity prices as defined; and

2. "To protect the interest of the consumer by—

"(a) approaching the level of prices which it is declared to be the policy of the Congress to establish in subsection (1) of this section by gradual correction of the current level at as rapid a rate as the Secretary of Agriculture deems to be in the public interest and feasible in view of the current consumptive demand in domestic and foreign markets, and

"(b) authorizing no action under sections 601–608, 608a, 608b, 608c, 608d–12, 613, 614–619, 620, 623, 624 of this title which has for its purpose the maintenance of prices to farmers above the level which it is declared to be the policy of Congress to establish in subsection (1) of this section." (The quotation is taken from compilation of the Agricultural Marketing Agreement Act of 1937, issued by the United States Department of Agriculture, 1952.)

Thus the policy as stated was to improve marketing conditions so that parity prices for farmers could be achieved, to approach such parity levels gradually in view of the demand situation, and expressly prohibited any action under the marketing agreement and order provisions which would increase prices to farmers above the parity level. Such was the stated policy for agricultural commodities in general.

With regard to fluid milk, while presumably operating under the same general price policy as other agricultural commodities, special treatment was given with regard to permissible levels of fluid-milk prices to farmers that could be established under orders, that is, the specific policy of attainment of parity prices was modified with respect to price levels to be established under fluid-milk marketing agreements and orders. Thus, section 18 of the Agricultural Marketing Agreement Act of 1937 provides as follows:

"(18) Milk prices:

"The Secretary of Agriculture, prior to prescribing any term in any marketing agreement or order, or amendment thereto, relating to milk or its products, if such term is to fix minimum prices to be paid to producers or associations of producers, or prior to modifying the price fixed in any such term, shall ascertain the parity prices of

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[1] Hereafter the term "orders", and act of 1937 will be used to denote marketing agreements and orders, and the Agricultural Marketing Agreement Act of 1937, respectively.

such commodities. The prices which it is declared to be the policy of Congress to establish in section 602 of this title shall, for the purposes of such agreement, order, or amendment, be adjusted to reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence adduced at the hearing required by section 608b of this title or this section, as the case may be, that the parity prices of such commodities are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area to which the contemplated agreement, order, or amendment relates, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices."

It would appear that there are several quite cogent reasons for the enactment of this special milk price section by the Congress. Some of these no doubt were as follows:

1. Control of production and restriction of the volume of marketings of milk and dairy products are not authorized by the act of 1937. Prices fixed by Government fiat in Federal marketing agreements and orders must therefore be related to the supply and demand position in the market.

2. The public interest demands that there be sufficient supplies of pure and wholesome milk to meet their needs. Parity prices, as such, might be either too high or too low to have the desired effect.

3. Parity prices for class I milk have not been established by the Department of Agriculture, and to my knowledge have not been computed. This arises largely from the fact that in many instances, an adequate series of class I prices did not exist, the items included in class I milk vary from market to market, and the like. The Department for many years has published a series of milk prices which represent the price received by farmers for milk sold wholesale from farms. This price does not relate to actual use—it includes prices for milk used in evaporated milk, fluid-milk markets, cheese, milk delivered to butter-dry-milk plants; in short, all outlets which require whole milk for their production plus milk delivered to butter-dry-milk plants. It is not a series that represents the average prices which farmers receive for milk used as fluid milk in fluid-milk markets. It is rather an average of all whole-milk prices, irrespective of use, and therefore cannot be used satisfactorily to determine the parity prices of class I milk.

In actual practice, therefore, the Department of Agriculture for many years has relied entirely upon section 18 quoted above as the section of the act of 1937 which contains the criteria upon which the prices in fluid-milk marketing agreements and orders are established. In practice, the Department makes a finding that parity prices are not reasonable in view of the price of feeds, supplies of feeds, and other economic conditions, and finds further that the prices *established* by the order or amendment thereto fulfill the requirements of section 18. A typical finding is to be found in order No. 13, as amended, regulating the handling of milk in the Greater Kansas City marketing area, quoted in the footnote below.[2]

I believe that the discussion herein is sufficient to show how the goal of price fixing under the orders is not parity prices per se, but a level of prices geared to economic conditions in the market, with most important criterion being that of securing a sufficient supply of pure and wholesome milk for the consuming public.

B. Other criteria for the issuance of orders: In addition to the specific criteria set forth in the act of 1937, there are other related criteria not specifically spelled out in the act. Some of the witnesses have stated that the orders are necessary to maintain the integrity of the classified price plan, in the sense that they believe a classified price plan will not work very well unless it is marketwide.

Classified price plans were first developed by cooperative associations of milk producers in bargaining for prices with handlers or distributors. Under this plan, milk entering the different uses, such as in fluid bottled milk, fluid cream, ice cream, and the like, was assigned different prices, according to use. Such plans did not develop until the character of milk markets had changed from one where there were relatively large numbers of producers selling their milk individually to handlers and where there were relatively few handlers, to a system where the supply had become organized to a greater or lesser degree by organization of a cooperative association of producers acting as the sales agent for large numbers of producers. Thus, the situation became one where greater or lesser control of the bargaining processes relative to supply was in the hands of one or more cooperative associations, and the buyers, in this case the handlers, were also few in number. Once having organized significant portions of the supply so that it could be bargained as a unit, it became necessary to find some plan of charging handlers the same price for milk they used. Inasmuch as handlers use varying proportions of milk in the different products, it was a practical impossibility to price milk to them on a flat-price basis, that is, a single price for all milk received by them. The classified price plan was developed to cure this sore spot.

However, very few milk markets are so completely organized that all of the supply is in the hands of the cooperative association. Many producers remain outside the association. Thus, with milk for fluid purposes commanding higher prices than milk for other uses, and with some milk outside the plan, some handlers preferred to be flat-price buyers and did not buy from the association, thereby getting their milk cheaper on a use basis than handlers who bought their supply from the association.

During the twenties this system worked fairly satisfactorily, but with the advent of the depression the competition of flat-price buying handlers with those buying from cooperatives became much more severe. Federal milk marketing legislation was enacted in the early thirties, and the pricing plans developed by the coopertives were included in the legislation, and through the power of the Federal Government are imposed on the markets as a whole through the issuance of orders.

From the foregoing, it would appear that one of the major reasons for the development of orders was to make marketwide the system of pricing followed by the cooperatives in the market, thereby eliminating the disrupting effects of there being available to handlers in the market milk which could be purchased on a flat-price basis and which gave the flat-price handlers their fluid milk at lower prices than those handlers who purchased their milk from the cooperative on a classified-price basis.

Here, I wish to call the attention of the subcommittee to the very vast difference between markets operating under price schedules bargained by the cooperative without full control of the supply, and markets operating under orders where all of the supply must be purchased by handlers under the classified-price plan. In the former type of market-price competition in the procurement of milk from farmers still existed. Therefore, the class prices of the cooperatives had to be kept well in line with competitive conditions, else handlers would shift from classified-price buyers to flat-price buyers. Under an order, with the full market supply priced on a classified basis and mandatory upon all handlers, price competition is eliminated in the procurement of milk from producers. In the place of competitive forces the only restraint upon prices under Federal orders is the judgment of Federal officials who administer the orders and the manner in which the act may impose certain restraints, depending on how the act is interpreted.

IV

General analysis of the criterion "sufficient supply" [3]

Throughout the course of these hearings, many witnesses have stated that the primary purpose of orders is to secure an adequate supply of pure and wholesome milk for consumers, and thereby contribute to the public interest. In none of the testimony has there been any very clear statement of what constitutes a sufficient supply, and there has been little if any discussion of the situation vis-a-vis order prices if the supply is more than sufficient.

It seems to be fairly well agreed among marketing specialists and persons engaged in the marketing of fluid milk that the market must have available during the season of short production a volume of milk in excess of actual fluid sales in order to meet day to day variations in demand and to a lesser extent day to day variations in production. This so-called operating reserve is considered to be about 15 percent of actual daily average sales during the season of short production. We fully recognize the need for this surplus, or operating reserve.

Since there is very little seasonal variation in the consumption of fluid milk, it would follow that a market which has a surplus over actual fluid sales of around 15 percent during the short season of production will necessarily have a larger surplus during the season of heavy production, depending upon the seasonal variation of production in the area.

We may conclude, therefore, that a market is sufficiently or adequately supplied, and the interest of the public fully protected, when the market has available a supply of 15 percent in excess of actual daily average sales during the short period. It should also be noted that the term "supply" does not mean supply from purely local production. If the market secures short-period supplies from areas distant from the local area of production, as a matter of course, then the term "sufficient supply" should involve supplies from all sources.

We now pose the fundamental question: Since assuring the consuming public, through the stabilization techniques of Federal orders, of an adequate supply of pure

[2] "The parity prices of milk as determined pursuant to No. 913.2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest." (Title 7, ch. IX, Code of Fed. Regs. Marketing Orders—Pt. 13, published in Federal Register, Apr. 30, 1955.)

[3] The term "sufficient supply" is used hereinafter interchangeably with the term "adequate supply."

and wholesome milk, is the major function of orders, what is the position when surpluses far in excess of the necessary operating reserve during the short season actually exist in order markets? Corollary questions are:

1. Is the public interest served by perpetuating a price structure under Federal orders which result in supplies far in excess of an adequate supply?

2. If it is concluded that the public interest is not served by price structures which encourage production far in excess of the market needs, then what is the reason for maintaining such price structures under Federal orders?

It would seem almost axiomatic that, with regard to the first question propounded above, the public interest is not served by perpetuating price structures which result in supplies far in excess of adequate supplies.

It is generally agreed that it costs somewhat more to produce milk meeting the sanitation regulations applicable to fluid milk markets than it costs to produce milk used for manufacturing milk. It is also fairly generally agreed, that prices charged handlers for milk used as fluid milk must be sufficient to furnish farmers a price differential over manufacturing milk values sufficient to enable them to meet the costs of producing higher quality fluid milk. From this it follows, if the so-called class I differential is spread over a volume of farm production far in excess of the market's needs, that the differential must be quite considerably higher than would be the case if the supply and demand for milk in the market were more closely in balance. In other words, in order to achieve a given "blend" price or average price, the class I price must be much higher where surpluses over fluid milk requirements are large than when such surpluses are small.

The reasons for this state of affairs are really quite simple:

1. Surpluses over actual fluid milk utilization are manufactured into dairy products such as butter, cheese, and the like, which must meet the competitive price levels established on nation-wide markets, and therefore cannot be over-priced relative to market returns from such commodities.

2. The fluid milk price paid by handlers indubitably affects the price of milk at retail. The higher the class I price to producers, the higher must be the retail price to consumers.

3. Therefore, in order to maintain supplies in a fluid milk market in excess of the requirements of such market, the prices paid by consumers for milk used as fluid milk must in the final analysis bear the burden. And, it takes a higher consumer price and (class I price to handlers) to maintain a given blend in a high surplus market than it does in a low surplus market, other factors being similar. Prices established for milk used for manufacturing milk under the orders also may operate to cause higher consumer prices. Thus, if prices for milk used for manufactured dairy products by the fluid milk handler are too high, in the sense he cannot manufacture the commodities and sell them on the nation-wide market for such commodities on a profit or at least a break even basis, he must make up any such losses through the prices he charges for fluid milk, or refuse to accept the milk. On the other hand, if manufacturing milk prices are set too low under an order, the fluid milk handler may have an advantage over the regular manufacturing milk processor, thereby undermining the market for manufactured dairy products.

4. From the foregoing, it follows that consumers pay for the maintenance of surpluses in excess of market requirements through the payments they make for milk at retail. They are in effect, through the payment of high retail prices, or let us say retail prices higher than they should have to pay, subsidizing the production of large volumes of surplus milk over and above the requirements of the market.

It also appears to us to be quite obvious that when the administrative officials in the Department of Agriculture establish prices that call forth an excessive supply for the fluid-milk market, section 18 of the act of 1937 is being violated. Section 18 refers to "sufficient supply"—not supply far in excess of the needs of the market for fluid milk.

We may conclude, therefore, that in order markets where the general tendency has been to maintain supplies in excess of market requirements as discussed and defined hereinbefore, the orders are not operating in the public interest.

Major restrictive devices in Federal milk marketing orders

Briefly, the manufacturing milk groups feel that three rather closely related provisions of the orders tend strongly to restrict the entry of qualified milk into fluid order markets, these being:

1. The practice of defining the scope of the orders so that some plants are excluded from the full price and pooling scheme. In this regard, "pool plants" that are subject to all the provisions of the orders are those plants which have a history of shipment of a certain percentage of their receipts to the market as fluid milk. Plants failing to ship the minimum percentage required by the pool plant definition become nonpool plants, even though milk received at such plants, and the plants also, are fully qualified by the appropriate health authorities in the particular market.

2. The practice of levying what is called a compensatory payment upon milk from non-pool plants which is shipped to the market, which payment is then added to the total pool value of pooled milk, as determined by the class prices and the volumes used in the several classes, and divided among the producers which deliver their milk to pool plants as defined.

3. The practice of "down-classification" of so-called other source milk. This practice involves classifying milk received from non-pool-plant sources in the lowest classes, the classification of such milk progressing upward to the higher classes only insofar as there is insufficient milk received from pool producers to meet the full requirements, or rather the sales of the handler in the higher classes. Thus, if receipts from pool producers are sufficient to fill all of a handler's class I sales, milk from other sources will be classified at the lower classes, irrespective of the use to which it was put by the handler.

The administrative officials justify the use of compensatory payment provisions in a milk order by starting with the quite obvious fact that, in the application of the order regulations, the subject of the regulation must be clearly defined, so that all may know the scope of the regulation, the milk to which it is to apply, and the like. Thus, there arises the definition of pool plants.

The officials then proceed to the proposition that in fixing prices in fluid-milk markets, the class I differential must be set as nearly as possible at the minimum levels which will encourage the necessary amount of milk production. There can be little criticism of this principle—that class I prices must be set at the level which will assure the market an adequate supply of qualified milk.

Having arrived at this conclusion, however, the officials then state that such class I price differentials should be only sufficient to assure an adequate supply from producers who are an essential and regular part of the market.

"Since the production of high-quality milk involves extra expense it is important that the amount of milk produced under class A standards be no more than the minimum necessary to provide the market with an adequate and dependable supply of quality milk. To encourage more than enough production of such milk would represent an economic waste since the expenditure involved in producing class A milk in an essential part of the milk supply would result in no extra value to consumers." (Decision with respect to a proposed marketing agreement and proposed order, as amended (St. Louis, Mo.).)

Here is the beginning wedge for the limitation of the pricing mechanism to certain categories of milk, and limiting the receipt of the higher class I values to certain categories of producers. It does not matter that there is other milk which is qualified by appropriate health authority for use as fluid milk in the market, nor that such milk was available for use of the market. What does matter in determining the milk and the producers that should be included in the pool is a matter of whether the producers are deemed to be an essential and regular part of the market.

In brief, this entire argument stems from the use of devices such as pool plant classification, compensatory payment provisions, and down classification of other source milk, which are in themselves made necessary by defining, in a restricted manner, the milk that will be included in the pool. This becomes quite clear from a study of the following statement taken from the decision of the Secretary in issuing an amendment to the New York milk order which reestablished compensatory payments in that order following ruling of the circuit court of appeals that the previous compensatory payment provision in said order was invalid under the act of 1937.

"Having defined producers and pooled milk as heretofore and herein found to be necessary, in a way which does not include all milk which may enter the marketing area, it automatically and inevitably follows that an opportunity exists for the sale of unpriced and pooled milk in the marketing area since the minimum class prices and pooling established under the order pursuant to sections 8c (5) (A) and (B) of the Agricultural Marketing Agreement Act of 1937, as amended, are applicable only to milk received from producers as defined in the order. Such minimum class prices and pooling do not and cannot apply to milk received from farmers who are not pool milk producers. If that milk which is available and eligible for sale in the marketing area from farmers who are not producers and which consequently is unpriced and unpooled under the order is not regulated in some manner, however, the minimum class pricing and equalization provisions of the order would be rendered ineffective. In the absence of some suitable form of regulation of such unpriced milk there is always an artificial economic incentive for milk from nonproducer sources to enter the marketing area and displace milk from producers. Such nonproducer milk would be milk which would not have entered the marketing area in the absence of a class price plan but would be induced to come in for use in the relatively high valued fluid outlets solely because of the competitive advantage created for it by the classified pricing and pooling of producers' milk. The exclusion of such milk from the marketing area is not authorized or desirable. The only alternative method or device which has been suggested or proposed for dealing with the situation is to impose a suitable charge on such unpriced milk in an amount sufficient to neutralize, compensate for, and eliminate the artificial economic advantage for nonpool milk which necessarily is created by the classified pricing and pooling of pool milk under the order."

If it were not so serious in terms of the public interest, maintenance of competition, and maintenance of nonarbitrary price levels in fluid milk markets, the reasoning set forth above in such positive terms would be laughable.

Why is there qualified but unpriced milk which must be subject to compensatory payments else the classified price and pooling plan will be rendered somewhat ineffective? Because the Department defines the scope of the regulation so that there is qualified, but unpriced milk available for use in the marketing area.

Why is there qualified but unpooled milk available? Because the Department does not include all eligible milk under the pool, but seeks to exclude milk which it does not deem necessary for the market even though available for the market and eligible under the health regulations.

What is the basic purpose of these gadgets? To limit the pool, and to prevent the entry of milk into the pool that the Department thinks does not belong in the pool, the basic idea, of course, being to curb an influx of milk which would take place if the prices established were too high. Once the pool is walled off from the entry of other milk, the stage is set for arbitrary pricing without any practicable restraint.

The same general statements apply with equal force to the practice of down classification of "other source" milk.

The Department rather definitely admits the purpose of compensatory payments is to limit a pool, in its decision with regard to the New York order previously quoted.

"Prior to 1945 all milk received from farmers at all plants approved by marketing area health authorities as sources of fluid milk for the marketing area was included in the pool and was therefore class priced at its source under the order. Under that plan there was no problem of unpriced milk, because all milk which was lawfully distributed in the marketing area for fluid purposes as well as all other milk at the plant from which it originated automatically was in the pool and subject to classified pricing at its source. Because of serious weakness which developed under this loose plan of pooling, the order was amended in 1945 to limit the pool, insofar as possible, to milk which was primarily associated with the New York fluid market either as regular or reserve supplies and to exclude from the pool milk which was primarily associated with some other fluid market or manufacturing outlet even though it had the health approval of one of the marketing area health authorities. This necessarily left out the pool, and not subject to class pricing at source, quantities of nonpool milk which could enter the marketing area for fluid use because of its health approval."

Here, attention is called to the language "the order was amended in 1945 to limit the pool, insofar as possible, to milk which was primarily associated with the New York fluid market either as regular or reserve supplies and to exclude from the pool milk which was primarily associated with some other fluid market or manufacturing outlet even though it had the health approval of one of the marketing area health authorities."

When the development of the practice of putting compensatory payment provisions in fluid milk orders is placed in its historical perspective, there are even stronger reasons to view them as a device designed to permit arbitrary pricing in order markets, and to grant local producers a high degree of local monopoly. The orders were started during the depth of the depression when prices were quite low and surpluses were heavy. At that time no effort was made to limit the amount of milk in the pool by definition of pool plants or other gadgets. All milk entering the market irrespective of whether it was qualified under health regulations was priced and pooled. While orders were generally applicable only to qualified milk, nevertheless, if unqualified milk was distributed in the market, it was also brought into the pool under the theory that it was not the Federal Government's function to enforce the sanitation regulations of the local area.

Similarly, today the Department, by changing its definitions and methods of classification so that the regulations applied to all milk entering the market, would eliminate the need for such gadgets as compensatory payments and down classification of other source milk. Obviously, however, with milk free to enter the market without penalty, class I prices must be kept very well in line with economic conditions and competing supplies of milk. Without compensatory payments, down classification of other source milk, and certain restrictive features of base rating plans, it would be practically impossible to develop very artificial price levels in fluid milk markets, but with these devices it is almost impossible to restrain the development of arbitrary price levels.

VI

Compensatory payments and down classification of other source milk violate the Agricultural Marketing Agreement Act of 1937

One of the avowed purposes of compensatory payments is to assure that the price paid for milk from nonpool sources used as class I milk, plus compensatory payments, is equal to the class I prices established for pool handlers under the order.

This matter of the uniformity of prices charged handlers for milk entering the same use is very important.

Section 8c (5) (A) of the Agricultural Marketing Agreement Act of 1937 provides as follows:

"(5) In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions and (except as provided in sec. (7)) no others:

"(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, and the time when payment shall be made, for milk purchased from producers or associations of producers. Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such orders, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk or any use classification thereof is made to such handlers."

It is submitted that no general formula such as is used in determining the rate of compensatory payments in the various markets can assure that handlers will pay the same class I price for milk whether it be from pool or nonpool sources. There are a multitude of different markets for milk, particularly around the major markets and in many cases quite significant price variations between the markets. The only way that one could be sure that handlers were charged the same price for milk from nonpool as from pool sources would be to ascertain the actual price paid for such milk and then compute the differential between such prices and the class I price for each handler.

The same reasoning holds true with regard to the down classification of other source milk. From the foregoing it seems to us to be quite obvious that compensatory payments do not assure and as a matter of fact cannot assure uniform pricing among handlers. They are, therefore, illegal insofar as section 8c (5) (A) is concerned.

Compensatory payments and down classification of other source milk provisions in Federal milk orders directly violate section 8c (5) (G) of the Agricultural Marketing Agreement Act of 1937 which states:

"No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit in the case of products of milk the marketing in that area of any milk or product thereof produced in any production area of the United States."

During the period when I was Chief of the Dairy Branch, 1939–42, and in the years preceding that period, it was the opinion of those in charge of the administration of fluid milk orders that any device such as compensatory payments or any gadget which placed a burden upon the entry of milk into a market would violate section 8c (5) (G). This is one reason no restrictive devices were placed in the orders during that period. Other reasons pertained to the fact that we believed the act of 1937 was designed to be not only in the interest of producers but also in the interest of the general public, and we did not believe that devices that restricted the free flow of qualified milk between markets in this country were in the public interest, and that such restrictive devices operate to the disadvantage of producers of milk and butterfat used for manufactured dairy products.

The use of compensatory payments has not yet been adjudicated by the United States Supreme Court. In the only case brought against compensatory payments so far *Kass v. Brannan*, concerning compensatory payments under the New York order, the United States District Court for the Eastern District of New York ruled in favor of the Department of Agriculture. Upon appeal to the United States Court of Appeals, Second Circuit, the decision was reversed. The major point in the Court's reversal of the lower court was to the effect that under the compensatory-payment provision subject to the litigation, handlers were not charged the same price for milk entering the same use.

Of significance to the committee is the following language of the Court:

"* * * The total exactions required from the plaintiff were about $10,000. His brief describes them as 'penalty' payments, as did the witnesses at the promulgation hearings and the hearing examiner in his recommendations. Carefully avoiding the word 'penalty,' the Secretary's brief describes them as 'compensatory' payments, i. e., compensation for competition of nonpool milk with pool milk. We think 'penalty' is the more accurate description."

The committee will take note of the fact that at the hearing in which these compensatory payments were promulgated under the New York order, proponents of the provision called them "penalty" payments. Needless to say, since the decision of the circuit court and the development of a broad-gaged attack upon this particular provision of orders, proponents, and the Department of Agriculture, have exercised extraordinary care in discussing the payments. But there can be no gainsaying the fact that when they (compensatory payments) were promulgated, proponents looked upon them as a penalty levied upon milk from nonpool plants, but the word "penalty" having fallen into disrepute, the provision is now called by other names and justified on other than penalty grounds. Merely changing the name of the provision does not change its character, as I think the committee will agree. It was started as a penalty, it is a penalty, and in our view no devious language or method of nomenclature can change that fact. Further, producers who actually produced the milk subject to compensatory payments do not get the money represented by such payments. This money is distributed among the sheltered producers delivering to pool plants.

Our general points of opposition to such devices applicable to the generality of fluid milk orders, can now be summarized, as follows:

1. Compensatory payment provisions, and like provisions, violate section 8 (5) (A) of the act of 1937, by virtue of the fact that no general formula, such as is embodied in the current compensatory payment provisions, can assure that handlers will be

charged the same price for milk entering fluid uses from nonpool plants vis-a-vis pool plants.

2. We have the decision of the majority of the United States Court of Appeals, Second Circuit, that such payments are violative of the act of 1937.

3. We have shown that such payments, and down classification of "other source" milk, operates so that the entry of qualified milk into federally regulated markets is inhibited. In this respect, compensatory payment provisions, and similar provisions, violate section 8c (5) (G) of the act of 1937, and most certainly violate the intent of the Congress when the act was passed.

4. We have shown that compensatory payments have been one of the latest developments under fluid milk orders, and that prior to the development of such arbitrary, restrictive provisions, orders operated for many years in a very satisfactory manner without such provisions.

5. Compensatory payments and down classification make it possible to develop arbitrarily high prices for fluid milk in order markets, thereby reducing consumption, and increasing production and the surplus over fluid milk needs which finds its way into manufactured dairy products.

VII

Surplus production in fluid milk markets

One of the major criticisms of the structure of fluid milk prices, both in Federal order and nonorder markets, is that prices are maintained at such arbitrary high levels that consumption is reduced from levels it should attain, production is increased far beyond the needs of the market for fluid milk, and surpluses over fluid milk needs so caused must be used in manufactured dairy products, thereby increasing the volumes of manufactured dairy products seeking a market.

For the last couple of years, a Committee appointed by the Secretary called the Federal Order Study Committee, spent considerable time investigating these and related questions concerning the operation of Federal orders. A report was furnished to the Secretary by the Committee last August. The Committee reached the following conclusions:

"1. The primary purpose of Federal milk marketing orders is to maintain an adequate supply of milk and to achieve orderly marketing. This is being accomplished in fluid milk markets with Federal orders.

"2. During the post-war years the margin of class I prices over manufacturing prices has been wider on a dollars-and-cents basis than in former years. This has been true in all types of fluid milk markets including federally regulated, State regulated, and nonregulated markets.

"3. This situation resulted primarily from wartime shortages and the need to obtain additional supplies for many fluid markets. The committee has developed no adequate explanation for the continuance of the wide margins between prices of fluid milk relative to manufacturing milk prices in recent years.

"4. In recent years these shortages have been generally eliminated, and have been replaced in many instances by oversupply in relation to fluid needs.

"5. Formula pricing and particularly supply-demand price adjustments have served to reduce class I prices as supplies became more ample, but have not, in most markets, narrowed the spread between fluid milk prices and manufacturing milk prices.

"6. Lags occur in adjustments of production and consumption to price changes.

"7. There is little evidence that Federal orders have increased production more than has occurred in other markets or other areas of the country. Due to shifting plants and producers, the receipts of milk at plants subject to a Federal order do not necessarily reflect changes in area production. In the Northeast, which is the only area for which fairly comprehensive figures are available, total milk production in relation to class I utilization has not been as high as it was in the early forties."

There are two major benchmarks which are commonly used in determining whether a given level of class I prices is proper, these being:

1. Whether the market, under the level of prices established, is securing a sufficient volume of milk for fluid use. As was pointed out hereinbefore, a market is being sufficiently supplied when it has available during the season of short production a volume of supply of about 15 in excess of average daily fluid milk sales.

2. Whether the prices are in normal relation to the prices of milk used in other commodities than fluid milk, that is, the relationship between prices of milk for fluid use and prices of milk for use in manufactured dairy products.

A. The current position regarding sufficient supply: With regard to sufficient supply,[4] the Federal Order Committee states that orders have achieved an adequate supply for fluid-milk markets. It also states that in recent years, wartime shortages have been generally eliminated and have been replaced in many instances by oversupply in relation to fluid needs. From this, we must conclude that most of the markets are now in a position of over supply relative to market needs, which is merely another way of stating that the order price structures are now conducive to the production of more than a sufficient supply to meet market requirements. This means that class I differentials are being spread over more milk than is required, that as a general rule under such circumstances class I prices are higher than they would be if there were a better balance between supply and demand, and that as a result, consumers are paying higher prices than are necessary to meet their fluid-milk requirements.

In his testimony before this committee on April 19, 1955, Mr. H. L. Forest, director of the Dairy Branch, Agricultural Marketing Service, stated that during the short season of production, October-December, fluid sales in all Federal order markets amounted to 74.9 percent of producer deliveries in 1954 and 72.5 percent of such receipts in 1953. During the April-June period, fluid sales were 52.4 percent of producer deliveries in 1954 and 53.4 percent in 1953. Naturally, the markets show wide variations as to the percentage fluid sales bear to producer deliveries.

In the report of the Federal Order Committee referred to above, figures are shown for selected markets from 1940 through 1953. These figures are given in table 1. They show a marked increase in fluid use relative to producer receipts during the war years, and an equally striking decline in fluid use relative to producer deliveries since the war period.

"The rapid increase in the percentage of the supplies utilized for fluid requirements in the early forties was followed by equally rapid declines in the late forties and fifties. It is clear that during the period 1947–53 the supply of milk in these markets increased more rapidly than market requirements.[5]

From the foregoing facts and considerations, it must be concluded that, at least in recent years, the price structure in Federal order markets has been such that production has been encouraged far in excess of the volume necessary to supply the markets an adequate supply of milk. This has resulted in increasing surpluses over the fluid-milk needs of the markets, and has contributed materially to the surplus milk that has been used in the manufacture of dairy products. In this connection, Mr. Forest in his testimony pointed out that in 1953, 16 percent of the milk delivered under Federal orders was made into butter and Cheddar-type cheese. Production of butter and cheese from milk in excess of fluid-milk needs in these markets amounted to about 10 percent of the total United States production of these commodities in 1953, according to Mr. Forest. (Testimony of Mr. Forest before the Dairy Subcommittee, Apr. 19, 1955, p. 7.)

B. Validity of figures used in determining adequate supply: Heretofore in this statement I have used only figures quoted by Mr. Forest in his testimony before this subcommittee, or by the Federal Order Study Committee in its report to the Secretary. It is now appropriate to raise the question as to whether the figures used in either Mr. Forest's testimony, or the report of the Federal Order Study Committee, tell the true facts as to the volume of surplus milk in fluid milk markets operating under orders.

The committee will recognize that the percentages of fluid milk utilization represent the percentage class I or fluid milk sales in the marketing areas are of producer deliveries, and by producer deliveries is meant the amount of milk delivered by producers to pool plants as defined by the orders.

We have pointed out hereinbefore that, under the system of pool plant classification, down classification of other source milk, and compensatory payments, there may be a significant volume of milk qualified for distribution in Federal order markets that is excluded from the pool by the foregoing named devices. The question here is, are class I sales in the market being compared with the total available supply, or some other figure which is itself a result of the definition of pool plants under the respective orders?

All of the Government figures relate to total fluid uses, as compared to receipts from producers under the order. As a matter of fact, the volume of qualified milk in most markets is quite significantly in excess of deliveries of producers to pool plants as defined in the orders.

During the course of the deliberations of the Federal Order Study Committee, I endeavored to ascertain from the dairy branch the volume of qualified milk which was available in Federal order markets, but which was classified as other source milk and therefore not used in relating the supply from producers as defined in the orders to total class I sales in the market. In answer to my query, the dairy branch stated as follows:

"In accordance with your request we have determined the relative quantities of producer milk and other source milk handled in Federally regulated markets in June and November 1952. The computation is based on figures for all markets except New York, for which comparable data are not available. For markets in which orders were not in effect in November 1952 we substituted data for December 1952 and for orders not in effect in June 1952 we substituted data for June 1953. These substitutions apply to the markets of Fort Smith, San Antonio, Central West Texas, Sioux Falls, and Stark County. The total of milk received from producers and producer handlers in all Federally regulated markets, except New York, amounted to 1,576 million pounds in June 1952 and 1,211 million pounds in November 1952. Other source milk includes all milk which was received in the form of milk, cream, or skim milk at a regulated plant plus any other dairy product received at such plant which was used for reconstituting milk, cream, or

[4] In this statement the term "sufficient" supply is used interchangeably with the term "adequate" supply. The word "sufficient" is used in sec. 18 of the act of 1937.

[5] Report of the Federal Milk Order Study Committee on its review of the Federal Milk Marketing Order program, p. 26, October 1954.

skim milk subsequently disposed of in a fluid use. The total of other source milk handled at Federally regulated plants, excluding New York, was 102 million pounds in June 1952 and 105 million pounds in November 1952." [6]

Thus, these figures show that in June 1952 other source milk was 6.5 percent of total pooled milk and in November 1952 was 8.7 percent. To my knowledge, all figures submitted to this subcommittee heretofore have not taken account of "other source" milk, which means that the percentages of excess over fluid sales that have been given you have been understated.

I have endeavored to secure additional information as to the magnitude of "other source" milk, as reported under the orders. In a list of eight orders, taken practically at random, "other source" milk as reported by the market administrator ranged from a very small percentage of receipts from producers as defined under the order to as high as 20 percent. I have no way of determining precisely how much "other source" milk, there is in Federal markets that actually represents qualified milk available to the market. Such figures apparently have not been compiled in any systematic fashion. It is evident, however, that in many markets "other source" milk is a significant portion of the total supplies available to the market.

As stated before, these figures were selected more or less at random on the basis of reports sent to my office. I do not believe, however, that a complete analysis of the figures for all Federal order markets would show any different results, namely, from the point of view of principle, that the figures usually furnished the public and this committee tend to understate the actual proportions of surplus milk on the markets. It is to be noted that the figures available to the Federal Order Study Committee were subject to the same limitations. By the device of relating figures regarding fluid use to producer receipts, when demonstrably there are large volumes in addition to producer receipts which are not only qualified for the market but are included in the total utilization figures for the markets, the administrative officials are in fact understating the volume of surplus milk in fluid-milk markets. This practice on the part of the Department has two results, both inimical to the public interest, as follows:

1. By understating the supply position markets are indicated to be in a tighter supply position than is the actual fact, and this leads either to the maintenance of higher prices than would otherwise be justified or the failure to adjust prices in line with changes with the total available supply. In either event consumers pay higher prices than would be indicated if the full supply for the market were considered, rather than the supply by definition such as is involved in pool-plant definitions, down classification of excluded milk, and compensatory payments on qualified milk which is excluded from the pool by definition of pool plants.

2. Supply-demand formulas, which the Department holds do so much to hold prices of class I milk at reasonable levels, become meaningless when, by definition of pool plants and the other gadgets we have described hereinbefore, the figure used in computing supply is much less than the actual supply of qualified milk available for the market.

I would like to close this portion of my statement with a quotation from a paper by Dr. Leland Spencer, professor of marketing, Cornell University, which was published in the Metropolitan Milk Producers' News, April 1955. Dr. Spencer, who has spent most of his professional career in the study of milk-marketing problems, in an article published in the News, as noted above, entitled "Quota Plans To Regulate Milk Supplies," made these comments, which might be of interest to this committee:

"Where markets are free, milk supplies and consumption are kept in approximate balance through the influence of price. But in price-regulated markets milk production often is stimulated beyond market needs. That is the situation today in many markets that are regulated by Federal or State milk-control orders. Milk supplies are especially burdensome in some markets where the orders call for paying all producers a blended or uniform price which includes returns for surplus milk as well as returns for milk sold in fluid form.

"It is no doubt true that milk supplies and fluid sales could be kept in fair to good adjustment even in regulated markets with market-wide pools if the milk-control agencies fixed prices consistently with that object in view. In practice, other considerations, such as the demands of organized groups of producers and the reluctance of public officials to oppose their will, have an important bearing upon the price-making decisions. Thus it is often the case that the prices of fluid milk and cream are fixed at higher levels than would be necessary to obtain an adequate supply.

"In 1954 the supplies of approved milk exceeded the sales of fluid milk and cream by 81 percent in the New York milkshed, 78 percent in the Rochester milkshed, and 74 percent in the Niagara frontier (Buffalo) milkshed. About 50 percent excess over fluid sales in New York and 39 percent in Rochester would be sufficient to allow for seasonal changes and other fluctuations in production and consumption and to insure an adequate supply at all times."

VIII

Price differentials—Fluid milk and manufacturing milk

It is well recognized that due to the incidence of sanitation regulations the cost of producing milk for use in fluid-milk markets should be somewhat above the cost of producing manufacturing milk. One of the benchmarks in appraising fluid-milk prices is to compare changes that have taken place in such prices with manufacturing-milk prices.

The Federal Order Study Committee reported that the differential between fluid-milk and manufacturing-milk prices has widened markedly in recent years, and that the Committee had developed no adequate explanation for the continuation of these wide margins. (For details see table 2.)

On the basis of the usual supply-demand economics, it would be expected that, as supplies of fluid milk relative to sales increased, the differential between class I milk and manufacturing milk would be low. Conversely, when the markets are short of milk and class I utilization is high relative to production in the supply area, it would be expected that the differential would increase.

One of the most interesting features of the report of the Federal Order Study Committee is an analysis of the relationships between the differential of class I prices over manufacturing milk prices and the percentage of producers receipts utilized as class I. The analysis covered the period 1947–53, inasmuch as the war period is eliminated because of price controls. Seven markets were selected for the development of these relationships, these being Boston, Chicago, New York, Cincinnati, New Orleans, Cleveland, and Minneapolis-St. Paul.

"The relationship for the 7 selected Federal order markets is portrayed in graphic form in figure 2. The horizontal scale is the percentage of receipts in each market utilized for market requirements. The vertical scale is the premium of the class I price over the condensery price. The dot on the chart for each year shows the utilization percentage for the year and the premium of the class I over the condensery price for the same year. The straight line indicates the average relationship for the 7-year period.

"First, it is abundantly clear that there was very little relationship between these factors in any of the markets, with the possible exception of New Orleans. The variations in the class I premium over the condensery price seemed to vary almost independently of the percentage of supplies utilized for fluid requirements in the respective markets. Secondly, what little relationship there was seemed to indicate that, on the average, there was a slight tendency for the class I condensery price premium to be greatest when the utilization was below average.

"For example, for New York the 4 years with the largest proportion of receipts utilized to supply market requirements were 1947, 1948, 1949, and 1951. During these 4 years the percentage averaged 66.9 as compared to 59.1 percent for the 3 years with the lowest percentage utilization. In the years with the high utilization the New York class I–A price averaged $1.88 higher than the condensery price, compared with $1.92 in those years when the percentage was lowest. The margin of the I–A over the condensery price was slightly higher in those years when the utilization was lowest.

"The average percentage of receipts utilized for market requirement for the 4 years with the highest utilization and the 3 years with the lowest utilization, together with the premium of the class I price over the condensery price for the selected Federal order markets, are summarized as follows:

Market	Percent utilization			Premium of class I over condensery price		
	4 high years	3 low years	High exceeds low	4 high utilization years	3 low utilization years	Low exceeds high
Boston	61.2	54.4	6.8	$1.67	$2.09	$0.42
New York (I-A, I-B, I-C, II)	66.9	59.1	7.8	1.88	1.92	.04
Cleveland	76.5	68.8	7.7	1.17	1.36	.19
Cincinnati	71.8	65.4	6.4	1.39	1.49	.10
Chicago	79.4	69.3	10.1	.82	.85	.03
Minneapolis-St. Paul	61.5	58.9	2.6	.76	.80	.04
New Orleans	84.3	77.9	6.4	1.68	2.49	.81

"In each case the premium of the class I price over the condensery price averaged somewhat higher in those years when the utilization was lowest."

To summarize:

(1) The available evidence clearly indicates that class I prices, in spite of heavy surpluses in most of the markets, are being maintained at high levels as compared to manufacturing milk prices.

(2) The analysis of the relationship of the differential of class I prices over manufacturing milk prices clearly shows that these differentials have not behaved in the manner one would expect. Thus the differential tends to be high when the volume of milk is in heavy supply and it tends to be low when the volume of milk is closely related to market requirements for fluid milk. This pattern of differential strongly suggests that

[6] Letter to the undersigned from Howard Fedderson, Dairy Branch, and quoted by me in memorandum to Dr. E. W. Gaumnitz, Chairman, Federal Order Study Committee, dated October 6, 1954.

very arbitrary pricing policies are being followed and that class I prices sometimes are increased when as a matter of sound economics they should be reduced. The reason for the tendency for high differentials to be associated with high surpluses undoubtedly is that efforts have been made to maintain the blended price in the face of increasing surpluses by increasing class I prices relative to manufacturing milk prices.

IX

Remedial measures

The provisions of orders of which we have complained in this statement can be cured either through changes in the interpretation of the act of 1937 now current in administrative circles or by some minor amendments to the act of 1937 itself.

We think it highly unlikely that the administrative officials will correct this situation on their own account. A number of them do not think that their current operations are wrong, hence, how could we expect them to change? Also, producer groups regulated by orders are permitted to vote upon amendments to such orders prior to the time such amendments are placed in effect. It would be very difficult to secure approval of the sheltered fluid milk producers of any action that would open up their markets to competition from outside sources.

The amendments which we think should be made to the Agricultural Marketing Agreement Act of 1937 are set forth in the appendix. They provide for amending section 8c (5), section 8c (5) (G), and section 18. I will describe these briefly without repeating them here in this statement.

TABLE 1.—*Percentage of producer receipts utilized for fluid market requirements, selected Federal order markets,*[1] *1938–53*

	Chicago class I and II	New York		Boston class I	New Orleans class I	Minnesota–St. Paul class I	Cincinnati class I and II	Cleveland class I
		Class I-A and II	Class I-A, I-B, I-C, and II					
1938				61.2				
1939				56.9				
1940	81.1	57.8	63.0	52.9	78.9			
1941	78.4	56.6	61.3	54.5	68.2			
1942	79.8	53.3	59.6	58.4	81.9			
1943	78.7	53.3	62.7	65.9	89.5		81.6	
1944	77.6	56.6	64.1	64.4	88.3		81.6	
1945	81.9	57.9	65.6	66.1	90.4		78.7	
1946	93.1	65.8	75.0	76.2	96.4	59.0	80.2	
1947	85.3	64.7	71.6	65.0	88.9	59.1	75.8	80.9
1948	82.5	65.3	72.1	65.8	86.7	61.6	74.1	77.3
1949	73.0	57.1	63.2	55.8	80.0	59.8	67.6	72.2
1950	71.7	53.8	60.8	54.7	76.8	59.0	65.4	71.9
1951	76.3	53.7	61.4	56.4	81.1	61.8	69.1	75.6
1952	73.4	52.5	60.0	57.6	80.4	62.8	68.2	68.4
1953	63.2	49.1	56.6	52.8	76.9	58.5	63.3	66.1
1954	64.2	48.2	55.1	54.4	71.9	63.7	62.1	63.3

[1] Data supplied by the Dairy Division, U. S. Department of Agriculture. In some markets emergency milk was used for fluid market requirements, but it was not included in the calculation of the above percentages.

Source: Report of the Federal Milk Order Study Committee, October 1954, p. 26.

TABLE 2.—*Class I prices selected Federal order markets and prices paid by 18 midwestern condenseries,*[1] *1940–53*

[Dollars per hundredweight of 3.5 milk]

Year	Class I prices							Condensery [2]
	Boston	New York	Chicago	New Orleans	Cincinnati	Cleveland	Minneapolis-St. Paul	
1940	$2.59	$2.61	$1.94	$2.13				$1.35
1941	2.67	2.73	2.37	2.32				1.85
1942	3.15	3.14	2.74	2.74				2.07
1943	3.50	3.53	3.32	3.29	$3.27			2.62
1944	3.56	3.70	3.34	3.40	3.36			2.64
1945	3.56	3.70	3.30	3.38	3.52			2.60
1946	4.13	4.33	4.15	4.03	3.95		$4.04	3.45
1947	4.92	4.91	4.16	4.54	4.68	$4.50	4.16	3.49
1948	5.65	5.66	4.78	5.33	5.25	5.18	4.60	3.97
1949	5.30	5.26	3.77	5.13	4.34	4.14	3.79	2.86
1950	4.98	5.00	3.68	5.38	4.28	4.03	3.74	2.95
1951	5.43	5.64	4.39	5.68	5.08	4.81	4.30	3.62
1952	5.53	5.50	4.81	6.03	5.40	5.14	4.58	3.78
1953	5.03	5.23	4.16	6.00	4.90	4.87	4.18	3.24
1954	5.00	5.13	3.73	5.84	4.57	4.46	3.73	3.00
MARGIN OF CLASS I OVER CONDENSERY								
Average, 1940–46	$0.94	$1.02	$0.65	$0.67				
Average, 1947–53	1.85	1.90	.83	2.03	$1.43	$1.25	$0.78	
1940	1.24	1.26	.59	.78				
1941	.82	.88	.52	.47				
1942	1.08	1.07	.67	.67				
1943	.88	.91	.70	.67	.65			
1944	.92	1.06	.70	.76	.72			
1945	.96	1.10	.70	.78	.92			
1946	.68	.88	.70	.58	.50		.59	
1947	1.43	1.42	.67	1.05	1.19	1.01	.67	
1948	1.68	1.69	.81	1.36	1.28	1.21	.63	
1949	2.44	2.40	.91	2.27	1.48	1.28	.93	
1950	2.03	2.05	.73	2.43	1.33	1.08	.79	
1951	1.81	2.02	.77	2.06	1.46	1.19	.68	
1952	1.75	1.72	1.03	2.25	1.62	1.36	.80	
1953	1.79	1.99	.92	2.76	1.66	1.63	.94	
1954	2.00	2.13	.73	2.84	1.57	1.46	.73	

[1] Data supplied by the Dairy Division, U. S. Department of Agriculture.
[2] Originally 18 condenseries, in recent years a smaller number.

APPENDIX

[Matter in italics indicates suggested new language]

SUGGESTED AMENDMENTS TO THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

Proposed amendment to section 8c (5) of the Agricultural Marketing Agreement Act of 1937

Section 8c (5). In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7) of this section) no others; *Provided, however, no order fixing the prices which handlers must pay producers or associations of producers shall be issued after the effective date of this amendment, unless and until the Secretary of Agriculture has exhausted all efforts to mediate and/or arbitrate disputes, as provided by section (3) of the Agricultural Marketing Agreement Act of 1937 (7 U. S. C. 71 D), and has published findings to that effect.*

Current provisions of section 8c (5)

Section 8c (5) as it now stands in the law, is the same as the above except for the underscored language, which is the proposed amendment.

Explanation of proposed amendment to section 8c (5)

Under this proposed amendment, the Secretary would be required to use the mediation and arbitration features of the act (now currently unused) to try to secure the settlement of disputes in a market, if possible, without the issuance of an order. As the matter now stands, a number of orders have been issued in the last few years which were due solely to disputes in the market, failure to bargain, and the like, which possibly could have been corrected without an order.

Proposed amendment to section 8c (5) (G) of the Agricultural Marketing Agreement Act of 1937

Amend section 8c of the Agricultural Marketing Agreement Act of 1937 by changing subsection (5) (G) thereof to read as follows:

(G) No marketing agreement or order applicable to milk or its products in any marketing area shall prohibit or in any manner limit *the marketing in that area of any milk or product thereof produced in any production area in the United States; nor shall any such marketing agreement or order impose any system of classification, fee, payment, or differential upon milk from any producing area not uniformly applied to all milk regulated by such marketing agreement or order.*

Current provision—Section 8c (5) (G)

Section 8c (5) (G): No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof produced in any production area in the United States.

Explanation of proposed amendment to section 8c (5) (G)

The purpose of the proposed amendment is to tighten up the language of the current provision. Under the current provision the Department of Agriculture has initiated restrictive devices in fluid-milk orders, such as compensatory payments, using as justification the argument that the provision applies only to the "products of milk." This amendment would make it impossible to assess compensatory payments, or use other arbitrary devices to inhibit the free flow of milk from any production area to any marketing area regulated by an order.

Proposed amendment to section (18) of the Agricultural Marketing Agreement Act of 1937

Section (18). Milk prices: The Secretary of Agriculture, prior to prescribing any term in any marketing agreement or order, or amendment thereto, relating to milk or its products, if such term is to fix minimum prices to be paid to producers or associations of producers, or prior to modifying the price fixed in any such term, shall ascertain the parity prices of such commodities. The prices which it is declared to be the policy of Congress to establish in section 602 of this title shall, for the purposes of such agreement, order, or amendment, be adjusted to reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence induced at the hearing required by section 608b of this title or section, as the case may be, that the parity prices of such commodities are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area to which the contemplated agreement, order, or amendment relates, he shall fix such prices as he finds will reflect such factors, *assure a sufficient, but no more than sufficient,* quantity of pure and wholesome milk *needed to meet the requirements of consumers in the marketing area during the period of seasonally low production,* and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices.

Current provisions of section (18)

The current provisions of section (18) are the same as those quoted above, except for the underscored language, which represents the proposed amendment.

Explanation of proposed amendment

The proposed amendment is designed to develop a benchmark which the Secretary must use in his determination of what constitutes a sufficient supply.

STATEMENT OF MR. C. M. DEGOLIER, DEERFIELD, WIS., BEFORE THE DAIRY SUBCOMMITTEE OF THE HOUSE COMMITTEE ON AGRICULTURE, JUNE 2, 1955

Chairman ABERNETHY and members of the subcommittee, my name is C. M. DeGolier. I am president and general manager of the Deerfield Creamery Co., Deerfield, Wis., president of the Madison Dairy Produce Co., of Madison, Wis., and president, Wisconsin Creameries Association.

I am making this statement on behalf of the joint committee of the National Creameries Association and the American Butter Institute. This committee, and its member units, has been described to you heretofore by other witnesses.

My purpose in asking the subcommittee for time to appear before you was in the belief that I may be able to give you information, developed from my own experience and my knowledge of the problem, which would add to the material already furnished this subcommittee by previous witnesses.

Let me say at the outset that I am not a dairy sanitarian. I operate a fluid milk (grade A) plant, which also manufactures dairy products, and am part owner of a plant at Madison engaged in large scale packaging and merchandising operations for butter. In view of my experience, it is not my purpose to pose as an expert able to tell you what features should be incorporated in a sanitation code for milk—this has been quite capably handled by Mr. Dahlberg and others, and there is a significant amount of technical information available in reports published by the National Research Council, which has conducted several very fine, technical studies of this subject, and from many other sources, rather, I desire to bring to you the experience and knowledge of a businessman who has had direct experience with this matter of sanitation regulations, and who, in the course of his business career, has had brought to his attention many examples of the manner in which these sanitation regulations operate.

I would like to state that the public is entitled to be fully safeguarded with regard to the sanitary qualities of its milk supply. No responsible person in the dairy industry would recommend the adoption of procedures which do not give the public this assurance. Milk, which we think is the finest natural food for human kind, also may be the very efficient carrier of bacteria which are inimical to the health of the people. This means that we in the industry, public officials, and all connected in any manner with the production and distribution of milk for human consumption, must be ever alert and in fact must demand that we be subject to regulations regarding the sanitation of milk which will assure that the milk supply of the consuming public is safe and pure.

SANITATION REGULATIONS—THEIR ORIGIN AND JUSTIFICATION

There is no need to launch into a lengthy discussion of the justification of sanitation regulations applicable to milk and its products. We take it for granted that anyone involved in the matter would agree that a clean, pure, and wholesome milk supply is a factor of paramount importance in the health and well-being of our people. Since milk, in addition to being one of our finest foods, also is a very fine medium for the growth of harmful bacteria, it follows without further argument that we must be sure our milk is produced and handled so that it is pure and wholesome.

Sanitation regulations, it would appear, first were developed by cities and municipalities in order to assure that the milk supply for consumers in such cities and municipalities was pure and wholesome, and that the milk-supply purity was so protected in both the farm production and the processing end that pure, wholesome milk reached the consumer, free from milk-borne diseases.

It is but natural that, due to the development of sanitation regulations by a multitude of cities and towns, looking largely to local conditions, there were and still are very material differences between sanitation regulations applicable throughout the country. For many years, the commerce in milk was very largely of a strictly local character. Techniques for the handling and shipment of milk long distances while still maintaining its purity and wholesomeness had not been developed. Therefore, it is not until comparatively recent years that variations between sanitation regulations, and the manner in which they were applied from market to market, have become factors of very great significance in impeding the flow of good-quality milk between markets in the United States.

We can take it for granted, I believe, that local sanitation regulations were conceived solely for the protection of the consuming public in cities and municipalities. Unfortunately, it is my belief that quite frequently, local producer groups and others have endeavored to use such regulations, and have them interpreted and enforced, as a tool for the protection of the local market supply of fluid milk against legitimate competition from qualified milk from producers and processors and other areas.

And here, I want to make it quite clear that, in those instances where it would appear beyond a reasonable doubt that sanitation regulations have been and are being used as trade barriers, it is not the fault of the local sanitarians. My experience with these officials is that they are primarily interested in seeing to it that the supply of milk in their area is pure and wholesome—not in seeing to it that their regulations have the effect of excluding pure and wholesome milk from other areas from their own areas. The fault for such use of sanitation regulations, I feel quite certain, is the fault of local producer and processor groups who desire to limit the competition of qualified milk from other producers and other areas. In this respect, the dairy industry, I think, is to be criticized for not getting its own house in order.

Of one thing we can be sure, and it should be a matter of pride to all of us, that the milk supply generally throughout the United States is safe and pure. Epidemics of disease traceable to the milk supply have, to my knowledge, ceased to exist. When one considers that one can travel from one end of this country to another, and always be able to secure a supply of pure milk which one does not hesitate to feed his children, in spite of the various conditions of production in this country, we can truly state that we have something to be proud of that is perhaps unique in the world.

To summarize to this point—we have a fine milk supply, and it is through the efforts of our technical people, the milk sanitarians, and through the cooperation of milk producers and processors that this is so. I wish to emphasize this so that the subcommittee will understand that the interest of the people I represent is not to complain of sanitation regulations as such, nor to recommend anything that will reduce in any way or by one iota the degree of effectiveness of our sanitary control of the milk supply in the United States. Nor do I complain of the actions of sanitarians which have been the subject of court controversies, some of which I will treat as examples for the subcommittee in the following pages of this statement. These controversies are understandable when taken in their historic perspective. My statement is pointed toward showing the subcommittee certain features of sanitation regulations which need to be corrected and at the same time to point out that some promising strides have been made in recent years toward a more uniform, more widely applicable sanitation system.

INCREASED MOBILITY OF MILK—ITS RELATION TO SANITATION REGULATIONS

Some years ago, when I first started in the dairy business, and particularly when my family developed the plant at Deerfield, Wis., milk was not very mobile. By this is meant the fact that techniques and equipment had not been developed which would permit the movement of milk for long distances and at the same time maintain its purity and quality so that it could be used by consumers as fluid milk.

In the dairy industry, we have made steady progress in sanitation practices through the development of better equipment, more research and better knowledge of the factors that cause the production of pure and wholesome milk, a more widespread understanding of the fact on the part of both producers and processors that the public, our customers, are entitled to purchase our commodity in the secure knowledge that it is pure and wholesome, and, last but perhaps of even greater importance, has been the development of our vast highway system and high speed refrigerated trucking industry which enables us to ship our milk longer and longer distances with the assurance that at destination the milk will be pure and wholesome, and entirely safe for consumption by the public.

The increased mobility of fluid milk was greatly encouraged by developments during the war. With the vast shift that took place

in the population—the development of large plants, with their large numbers of workers in areas previously relatively sparsely settled, it became necessary, if these people were to have milk, to develop techniques for the movement of such milk from areas of heavy supply to areas of deficit supply. When I first started this business, it was quite unusual for milk to move much farther than from my plant at Deerfield to Chicago. During the war and for some time thereafter, it became commonplace for milk which had originated in Wisconsin, or Minnesota, to be transported by refrigerated truck to southwestern markets such as Dallas and Fort Worth, there bottled and loaded on refrigerated trucks, and shipped as far west as Las Cruces, N. Mex. I might add that, when the consumers in Las Cruces drank such milk, they found it pure, palatable, and wholesome.

In addition to the foregoing, there has been a phenomenal improvement in the quality of milk on our farms. More and more of our farmers are equipping their farms and following production practices that meet the requirements for grade A milk, or milk that meets the sanitation requirements recommended in the United States Public Health Service Milk Code. In Wisconsin, for example, we now have a law under which milk which meets our grade A requirements, based on the United States Public Health Service Code, may be shipped from city to city within the State without hindrance from local regulations. So far, all but four cities in the State have accepted this code, and we fully expect the remaining four cities to come into the program in the near future.

But from the viewpoint of the interest of the subcommittee, I think it important to note that due to the greater mobility of milk previously described and the ever growing development of compliance of grade A ordinances which are based on the United States Public Health Service Milk Code, the existence of barriers to the free movement of qualified milk from one market to another is becoming more important, and the need for greater standardization of sanitation codes and practices of inspectors thereunder is becoming more and more necessary if sanitation regulations are to fulfill their primary and, I might say, their only function of assuring that the milk distributed in the various areas is pure and wholesome, rather than to assume a secondary function of standing as barriers to the movement of qualified milk. This movement is becoming more and more important every day as our techniques for handling milk, and shipping it long distances while still maintaining its purity and wholesomeness, improves with the many technological developments in the field. I think it would be a wonderful thing that we could look forward to the day when the milk supply for any town or city in this country would be of such assured purity and wholesomeness that it would be readily accepted for distribution as fluid milk in any other town or city in the country. It is in the interest of promoting the early realization of such a state of affairs that I am appearing before this subcommittee.

PROGRESS IN THE DEVELOPMENT OF UNIFORM SANITATION CODES AND INSPECTION THEREUNDER

There has been considerable progress in the development of more uniform sanitation codes and inspection practices thereunder in recent years.

Sanitarians have taken a leading role in recent years in this development. Each year there is held a national conference on interstate milk shipments, at which a great deal of attention is devoted to sanitation codes, methods of securing more uniformity in codes, inspection thereunder, and rules to be followed in developing a greater degree of reciprocal inspection, i. e., where a municipality accepts the inspection techniques of another municipality in determining the eligibility of milk from the latter municipality to be distributed as fluid milk in the former. There can be little doubt that these conferences, and the actions following thereafter, are exerting significant influence in developing a more uniform system of sanitation and inspection in this country.

I might state here that I think, and I believe that many, if not most, of the people in the processing end of the dairy business believe, that the activities of the national conference described briefly above are leading to more uniform codes, more uniform application of the codes, and are encouraging a higher degree of cooperation of local sanitarians with their colleagues throughout the country than has been the case heretofore. These efforts are to be highly commended. They will no doubt in time contribute materially to the public interest in assuring a milk supply throughout the country that is safe and pure, while at the same time tending to eliminate the features of local sanitation regulations which constitute barriers to the movement of milk, which are not related to securing a pure milk supply for the local municipality but rather constitute in effect barriers to the movement of sanitary milk into the municipalities involved.

TYPES OF SANITATION REGULATIONS THAT RESTRICT THE MOVEMENT OF MILK BETWEEN MARKETS

As I indicated heretofore, I do not claim to be an expert sanitarian. However, there are some features of sanitation regulations that I believe are restrictive in character, although the list of such restrictive types of sanitation set forth below may be far from complete. The list follows:

1. Many sanitation codes, or if not the codes then the health authorities, limit the area wherein they will inspect plants and farms. While it might appear that there could be good reasons for such restriction of inspection area, say on the ground of cost or some other factor, the fact remains that judging from the court cases filed to invalidate such restrictions, the area limitation is one of the most important barriers to the movement of qualified milk between markets.

2. Refusal to accept reciprocal inspection. This makes the area limitation really very effective as a barrier to milk movement.

3. Requirements that milk must be pasteurized within a certain distance of the city. Judging from the list of court cases which we have compiled, this is the restriction that has been involved in litigation more than any other. Obviously, in this day of good refrigeration and rapid transportation, a regulation that provides that milk must be pasteurized a small distance from the city is ridiculous, and most assuredly restrictive.

4. A number of ordinances levy inspection fees that are a very real roadblock to the movement of milk between markets. For example, it is not unusual for an ordinance to levy a fee on all milk moving over the weigh deck. For plants from which a small proportion of their total milk receipts at the plant are used in a town having such a fee, it should be obvious that a heavy burden is placed on the plant.

5. Ordinances vary regarding the requirements for tuberculosis, Bang's disease, and other tests.

6. Duplicate inspections. Some plants may sell milk in a number of markets. It is not infrequent for the farmers delivering to these plants to have to meet several different codes, leading to greater expense and more costly milk.

7. Some State authorities have tried to limit the entry of milk from out-of-State sources.

I have listed above a few of the important restrictive devices, although I have no doubt there are others.

ROUGH MEASURES OF GEOGRAPHIC SCOPE OF RESTRICTIVE DEVICES

I wish I could pinpoint for the committee the scope of these restrictive sanitation devices throughout the country, but researching the health codes in towns and cities of the United States is obviously beyond our powers.

It is my opinion restrictive devices such as those named above are a factor of paramount importance in slowing down or stopping completely the movement of milk from area to area and market to market. While no fully comprehensive research of this particular character has been done recently, the United States Department of Agriculture in a bulletin dated March 1939 entitled "Barriers to Internal Trade in Farm Products," found widespread evidence of the use of sanitation regulations as devices to restrict the entry of outside milk into milk markets. Both State Governments and local municipal governments were so using their sanitation regulations, and such restrictive practices were found to be very widely spread throughout the United States.

Although this bulletin is quite old, and may therefore be assumed to be out of date in some respects, I have taken certain excerpts from this bulletin and have included them in the Appendix. The findings are startling. We do not, however, have to rely entirely upon the bulletin just discussed for information concerning the current importance of the manner in which sanitation regulations are being used as devices to restrict the movement of milk between markets in this country.

Starting with the July 20, 1949, issue, I have had the weekly issues of the Dairy Record, a periodical devoted solely to news and information concerning the dairy business in this country, checked in order to list the cases brought before the courts regarding sanitation regulations. I do not claim that this list is a complete record of all the court cases regarding sanitation regulations that were started during the period since mid-1949, but in any event a number of them were reported in that magazine.

Since mid-1949, a total of 35 separate court actions were reported by the Dairy Record. These actions involved municipalities or States in 17 States and the District of Columbia. Other facts regarding these cases follow:

1. Eleven of the cases involved the refusal of the municipality to inspect plants and farms outside its usual area.

2. Thirteen of the cases involved suits brought to enjoin local health authorities from enforcing rules in their ordinances which provide that milk for use in the municipality must be pasteurized within a given distance, usually a very short distance, of the market. The most important of these, as far as establishing legal precedent is concerned, was that brought by the Dean Milk Co. of Chicago against the city of Madison, Wis. The Dean Co. was objecting to a provision of the Madison ordinance which required milk to be pasteurized within 25 miles of the city of Madison. This case finally came before the United States Supreme Court, and the Court ruled the provision invalid.

3. There were six cases involving the efforts of State Governments to limit the entry of milk from other States, ranging from such activities as providing that out-of-State milk must be in its original containers as received from the farm up to dyeing out-of-State milk some color.

4. Two of the cases involved unspecified discriminatory practices.

5. One case turned upon the failure of the local authorities to permit reciprocal inspection.

6. Two cases could only be classified on the basis of miscellaneous objections.

Practically all of these cases were won by the plants desiring to ship milk into the markets, previously forbidden them by the local health authorities.

In addition to the foregoing, the Dean Milk Co. gave us some information concerning suits it has brought against city and State authorities which had denied the Dean Co. permits to sell in the markets involved. The Dean Milk Co. secures the greater part of its milk supply from sources approved by the Chicago Board of Health.

The cases concerned a number of different complaints. Several of them were brought because the company considered the inspection fees levied against them were exhorbitant. The regulation generally in these instances provided for the payment of a certain fee per hundredweight for all milk going over the weigh deck of the Dean plant. When it is considered that in many of these instances the volume sold by Dean in the markets where these suits were brought was a small, sometimes almost an infinitesimal portion of the total volume of milk received at the plant or plants involved, yet the Dean Co. under the ordinance would have had to pay a fee on large volumes of milk not intended for use in the particular market involved, the restrictive nature of the fee as levied is obvious. Many of these cases have been settled on the basis of payment of a relatively small annual fee, such as $275 per year in one case, as compared to the thousands of dollars the company would have had to pay on the basis of the original provision of the ordinances.

Other cases brought by the Dean Milk Co. involved provisions of ordinances, or practices thereunder, whereby inspection was refused outside the usual inspection of the particular health authority involved. Still other cases involved refusal of health authorities to grant the company a permit because the local ordinances required the milk to be pasteurized in or only a short distance removed from the market. There were other bases of some of the suits mentioned, but the above reasons cover the majority of the cases brought by this company. I think the important fact for this subcommittee to bear in mind is that here is one fairly large milk company which, in its endeavor to expand its marketing system to a number of different markets, and when the quality of the milk supply of the company was not open to question, found itself stopped by capricious and restrictive local health codes and practices thereunder. The company advised me that they have instituted a number of suits in recent years, and that 16 of these complaints actually became the subject of court trials. I have mentioned before that one case went clear to the United States Supreme Court before being resolved in favor of the company.

There can be little doubt that the information I have furnished you here is incomplete. Further, since the decision of the United States Supreme Court in the *Dean* v. *City of Madison* case, disputes regarding mileage limitations on pasteurization and area of inspection have tended to be settled out of court on the basis of the Supreme Court's decision.

We have no way of ascertaining how many milk companies have tried to secure permits to ship milk into markets, and, when they were faced with restrictive devices such as we have discussed here, did not take the trouble to fight the adverse health authority ruling in the courts, but merely went elsewhere to look for business.

CONCLUSIONS

On the basis of the foregoing facts and considerations, I think we may well reach the following conclusions:

1. While much progress has been made in developing more uniform sanitation codes in this country and the practices under such codes, we still have far to go. Most assuredly, we should do our best to encourage the milk sanitarians to continue and accelerate their good work in this connection.

2. The evidence indicates quite clearly that many sanitation regulations serve no useful purpose as far as purity of the milk supply is concerned, but rather serve as devices to restrict the entry of pure and wholesome milk into markets from areas outside their usual sources of supply. Such regulations tend to wall off the local markets from the legitimate competition of other areas, and grant local producers a high degree of monopoly. This leads to arbitrary pricing, over-production within the milkshed, reduce consumption in the markets, and greater surpluses of milk which must be manufactured into dairy products such as butter, cheese, and the like.

It seems to me that the evidence is so conclusive that it warrants notice and action by the Congress. I do not know what the action should be, but the goal of any action by Congress, in my view, should be that of securing more uniformity in sanitation regulations throughout the country and more uniformity of application by inspectors. The United States Public Health Service, in cooperation with milk sanitarians and many other persons, has developed a standard ordinance or code which is recommended for use in municipalities. Many of the States and municipalities have adopted this code or codes based very largely upon it. I firmly believe that the USPHS code is gaining in scope, but am equally firmly convinced that we should endeavor to speed up its acceptance and application throughout the country. Once this is done, sanitation regulations will revert to their original purpose—that of assuring the public a pure and wholesome milk supply as far as sanitary practices are concerned, rather than being perverted to use as devices which restrict the movement of high-quality milk between areas and markets.

Whether the bills now before the Congress, which provide that the United States Public Health Service Code will be the determining factor in the quality of milk shipped in interstate commerce is the final answer, I do not know.

Most assuredly, however, this problem is of great importance, and we urge the Congress to take whatever action it deems advisable pointed toward its solution.

I wish to thank you for your courtesy in permitting me to make this statement.

APPENDIX A

There are listed below certain findings published in a bulletin of the United States Department of Agriculture entitled "Barriers to Internal Trade in Farm Products," March 1939. It is to be realized that this publication is very old but it serves to show that the question even at that date as to whether or not milk sanitation regulations were at that time being used as barriers to the movement of qualified milk between markets actually existed. This publication is replete with examples as to how, at that time, sanitation regulations were being used to restrict the movement of milk between markets.

We quote below from this bulletin certain excerpts.

"HEALTH AND SANITARY MEASURES

"Tremendous progress has been made during the last two decades toward the production of clean and wholesome milk. In part this has resulted from educational work, not only of the United States Public Health Service, but also of the health departments of States, counties, and cities. Chiefly, it has been achieved as a result of laws and regulations adopted by the States, counties, and cities, as well as by other subdivisions of the States. These measures prescribe, often in minute detail, the conditions under which dairy products shall be produced, processed, and distributed. To enforce the sanitary standards prescribed, official inspection is usually required. Farmers, processors, and distributors are typically granted licenses or permits to dispose of their product in a given market only after certification of satisfactory inspection by the officials of the city or State concerned.

"We are concerned here not with the details of these regulations, but rather with the extent to which they constitute an obstacle to the free movement of dairy products. Especially important are the market restrictions that have been placed on fluid milk and cream in certain parts of the country. These will be considered first and then some attention will be given to restrictions on other dairy products."

"MILK AND CREAM

"In a number of Eastern States (including Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Virginia, and Florida) all fluid milk (and in some cases cream) must come from farms that are licensed or inspected by officials of the State into which the milk is shipped. All of these States produce milk and cream, but they also bring in a part of their supply from outside their own boundaries. It is obvious, therefore, that should any of them wish to use their health- and sanitary-inspection requirements for the purpose of retaining a larger part of the State market for State producers, they could do so through limiting outside inspection and thus protecting home producers. Only a very thorough investigation would show the extent to which this has been either the purpose or the result of such legislation. The survey of the situation attempted here shows some of the existing tendencies toward market restriction."

The report treats regulations of Connecticut as follows:

"Apparently the State of Connecticut has followed the practice of limiting its out-of-State inspection of farms that produce fluid milk for the Connecticut market. In 1931 permits were withheld from a small group of producers in New York State, located near the Connecticut border, who had been sending milk into Connecticut. Public protest led to the revival of these permits, but with the provision that the New York producers must pay inspection costs. Despite the concession, relatively little milk has been permitted to come in from outside the State. In part, at least, as a result of this restrictive policy, Connecticut producers have been enabled to get relatively high prices for their fluid milk.

"This conclusion is supported by the study made by the Federal Trade Commission of the Connecticut milkshed. The Commission reports that—

" 'There are * * * indications that Connecticut has used its milk-inspection laws advantageously in keeping out milk from other States, although it does not admit this use of its powers.'

"Recent dairy legislation passed by the State of Connecticut directs the State commissioner to refuse to inspect farms outside the natural milkshed. Perusal of the pages of the Connecticut Milk Producers Association Bulletin strongly indicates that an important purpose of this legislation was to secure even more effective restriction of out-of-State milk."

With regard to the State of Rhode Island, the report has this to state:

"Rhode Island admits cream from outside the State on the basis of proper certification by the State of origin. Since 1931, however, this State has been one of the most active in passing health and sanitation laws with respect to fluid milk which, whether or not so designed, may be used for restrictive purposes. Inspection and registration is required of all farms shipping to Rhode Island markets and numerous regulations have

been adopted which put the distant producer at a disadvantage. By an amendment to its laws in 1936, Rhode Island required reregistration of all dairy farms. In this process, 62 registrations of farms were terminated in Massachusetts and Connecticut and only 1 distributor was reregistered in Vermont. The number of shipments of milk from Vermont have been nearly cut in half since 1931, they have entirely ceased from New Hampshire, and from Massachusetts and Connecticut they have been appreciably reduced."

With regard to inspection in the State of Pennsylvania, the report has this to state:

"Finally, two students of the dairy problem who have studied the Pennsylvania situation are here quoted. Leland Spencer found that regulations of the Pennsylvania State Department of Health 'cut down considerably the receipts of outside cream in Pennsylvania markets, particularly during the last 2 or 3 years.

" 'The Pennsylvania inspection movement also gives some indication of attempts to limit the milkshed through health regulations.' "

With regard to the New York City market the report states as follows:

"Market restriction through inspection requirements is promoted by cities and towns as well as by States. In fact, the regulations of certain large cities have been of equal importance with those of the States. Since 1906, New York City has maintained farm inspection of its sources of milk and cream supply, and since 1926 has definitely limited this inspection area. Thus it is practically impossible to ship fluid milk or cream to the New York City markets from points west of New York or Pennsylvania State lines. So far as fluid milk is concerned the restriction is not very important at present, for probably very little milk would move into New York City from beyond the inspected areas in any case. But cream, which as compared with milk combines greater value with less bulk, can be shipped for long distances. The effect, therefore, of the New York inspection requirements is to bar western cream and to raise the price of cream in the New York City market."

Frequently boards of health refuse to inspect producers located at some distance from the market:

"For many towns or cities the limitation of the inspection area is on an informal yet effective basis. The board of health, usually elected or appointed locally, may find it desirable to cooperate with local producers or distributors in restricting the inspection area. This limitation may take the form of refusal to inspect outside a certain radius. Thus, a local producers' association near a small New England town cooperates with the local health authorities to make sure there are no inspections at a greater distance than 3 miles from the town, but there is apparently no official ruling to this effect."

These are merely examples of the manner in which sanitation regulations were being used at the date of the report to restrict the movement of milk between markets.

STATEMENT OF GEORGE PAUL, PRESIDENT, NATIONAL CREAMERIES ASSOCIATION, BEFORE THE DAIRY SUBCOMMITTEE OF THE HOUSE COMMITTEE ON AGRICULTURE, JUNE 2, 1955

Mr. Chairman and members of the committee, my name is George Paul. I own and operate a general-purpose farm at Brooklyn, Iowa. I also serve in the legislature of the State of Iowa, and as president of the National Creameries Association and the State Brand Creameries, Inc. State Brand Creameries is a cooperative association located at Mason City, Iowa, and composed of over 100 local cooperative associations and proprietary concerns that produce butter, cheese, and nonfat dry-milk solids, handling packaging, sales, and the like for its members.

In this statement, I am speaking on behalf of the joint committee of the National Creameries Association and the American Butter Institute. The joint committee, as well as the two member organizations making up the joint committee, has been described to you by previous witnesses, so I shall not burden the record with repetitive description.

In this statement, I desire to discuss some of the self-help plans that have been proposed, and proposed marketing quota and production control plans for the dairy farmer. I also wish to submit a proposed self-help plan developed by the joint committee and its member organizations.

Before supporting any particular proposal, it would seem to me that the Congress should ascertain the degree of severity of the problem now confronting us. If, on the basis of current indications, it would appear that a very serious surplus situation confronts us, the program developed by the Congress would naturally be more drastic and far-reaching than if it appeared the dairy situation is showing considerable improvement.

THE CURRENT SITUATION AND OUTLOOK

I am happy to inform the Congress that the surplus situation in the dairy field has improved greatly since last year. Cow numbers are down somewhat and production for the first several months of this year has run 1 to 2 percent below the year previous. Butter and cheese production are down between 10 and 15 percent from the corresponding figures a year ago.

For details regarding cow numbers, production per cow, and other relevant production figures. (See table 1.)

Consumption of dairy products, on the other hand, has shown some increase from 1953. Fluid milk and cream consumption is up slightly. Butter consumption per capita is up four-tenths of a pound and cheese per capita consumption showed a slight increase. (See table 2.) We should also bear in mind that the population is increasing steadily at a rate somewhat in excess of 2 million persons per year.

The enormously heavy stocks of butter, cheese, and nonfat dry milk solids held by the Commodity Credit Corporation last year have shown significant reductions during the last half of 1954 and to date in 1955.

As you will recall, stocks of butter, cheese, and nonfat dry milk solids acquired by the Commodity Credit Corporation under the price-support program reached unprecedented heights during 1954. Last July 28, CCC stocks of butter reached a peak of 466 million pounds, cheese stocks reached their peak September 29 at 436 million pounds, and nonfat stocks of the CCC reached their peak April 28 at 599 million pounds. Stocks are still heavy, but through a combination of a lower volume of purchases in 1954 and to date in 1955, together with a markedly accelerated program of disposition of CCC stocks, they have been reduced considerably from the very high levels achieved in midsummer of 1954. Table 3 shows the purchases and utilization of dairy price support commodities from April 1, 1952 through April 30, 1955. During these marketing years, 753.4 million pounds of butter, 688.8 million pounds of cheese, and 1,467.6 million pounds of nonfat dry milk solids were purchased. Total disposition during the period amounted to 532.2 million pounds of butter, 371.6 million pounds of cheese, and 1,371.0 million pounds of nonfat dry milk solids.

Deducting dispositions from purchases shows an inventory in the hands of the Commodity Credit Corporation as of April 30, 1955, of 221.2 million pounds of butter, 317.1 million pounds of cheese, and 96.6 million pounds of nonfat dry milk solids.

To summarize:

1. Milk production appears to be down somewhat from the 1954 peak.

2. Per capita consumption has shown some increase and the accelerated expanded program of industry merchandising and promotion through the American Dairy Association and the National Dairy Council may be a significant factor in further increasing per capita consumption.

3. The population is increasing steadily.

4. Heavy stocks in the hands of the Commodity Credit Corporation have been diminished significantly during the last year.

The outlook, therefore, is considerably more favorable this year than last year and if we can continue to progress in increasing per capita consumption and in liquidating the heavy CCC stocks acquired in 1953 and 1954, the dairy production and demand position should show a reasonably good balance in another year or so.

It would appear that we should not at this time launch upon any drastic program for the control of production of milk and butterfat on farms or for the limitation of marketings of milk and butterfat from farms. Neither should we embark upon some plan whereby farmers themselves would finance a program for the continued purchase of dairy surpluses which must be given away, largely abroad. It would seem that under the circumstances which we apparently face that we should, for the time being at least, limit ourselves, as far as any program financed by the dairy farmer is concerned, to improvement and expansion of the current industry programs designed to increase the utilization of milk and butterfat by our population.

The dairy problem is not one historically of overproduction. If you will note in table 1, per capita production, that is production of milk per capita of the United States population, is running considerably below a decade ago. In 1942, for example, per capita production was 879 pounds. A low point of 733 pounds was reached in 1952 and in 1954 the figure was 762 pounds. The reasons for the dairy surpluses is shown up in significant fashion in table 2. You will note from the table that per capita consumption of butter on the average 1935–39 was 16.8 pounds. Due to wartime restrictions and diversion programs per capita consumption declined markedly. In recent years our position has been seriously affected by the action of Congress in fostering the expansion of the oleomargarine industry through permitting said industry to copy all of the major characteristics of butter.

PRODUCTION CONTROL AND MARKETING QUOTA PLANS

There have been an increasing number of suggestions in recent years that production or marketings of milk and butterfat from farms be limited. These suggestions were particularly prevalent in 1954 when CCC stocks reached such high levels.

The organizations which I represent do not believe it is feasible, or in the best long run interest of the producer or consumer, to attempt to limit production or marketings from farms in the United States. As I pointed out above, per capita production of milk is now considerably below previous years. It is our opinion that our major problem in the dairy industry is to expand consumption. For example, if per capita consumption of milk and cream had been maintained at the 1945 level, there would be no surplus of manufactured dairy products today. Similarly, the butter industry, through, I submit, no fault of its own, has lost a large share of its market. We are slowly but surely beating our way back to an increased level of demand for dairy products, and our farmers are contributing millions of dollars per year to accomplish this purpose.

There can be little doubt that, from the viewpoint of improving the health and well-being of our population, expanded consumption of milk and dairy products is a factor of paramount importance.

From the viewpoint of the dairy farmer, it is questionable whether restriction of production or marketings of milk and butterfat from farms would result in any increase in net income. Reductions in production or marketings usually result in less efficiency. Production controls inevitably tend to freeze the production pattern and to stultify improvements in production practices that otherwise take place.

Any production control or marketing quota scheme would inevitably be to the disadvantage of the efficient commercial milk and butterfat producer. This arises because of the nature of the distribution of milk production by size of herd in this country. To illustrate this point, I need only to quote the following figures:

1. In 1950, there were 3,681,627 farms in this country which reported cows kept for milk.

2. The majority of these farms kept very small herds. For example, there were 1,058,457 one-cow herds, 646,200 two-cow herds; and 603,616 farms reporting herds of 3 to 4 cows. Herds of 4 cows or less accounted for 62.8 percent of the farms reporting cows kept for milk. Herds of four cows or less accounted for 20.6 percent of the total number of cows kept for milk on farms of the United States. (See table 4.)

3. Sales of milk and the milk equivalent of cream sold from farms in 1950 accounted for 7.1 percent of total sales from all herds. When it is recalled that total CCC purchases under the price support programs have usually been quite low in terms of total production and sales of milk and cream from farms, and during the 1954 marketing year, the year of record purchases, represented about 10 percent of total production, it will be readily seen that the production on these very small farms is quite important when related to total CCC purchases of dairy products under the price support program.

It would seem to be quite reasonable to believe that administrative difficulties in accomplishing the vast amount of paperwork involved with the large number of small farms might well lead to exempting these farms from any production control or marketing quota plan. As a matter of fact, the Secretary has indicated this probability heretofore in regard to this matter. Yet these farms do produce significant volumes of milk and butterfat, and if they were to be exempted, a heavier cut would have to be made in production or marketings from the larger farms brought under the plans in order to achieve a given reduction in production and marketings. The larger farms tend to be the most efficient, and there can be little doubt that reduction in production and marketings from individual farms would bear heaviest on the more efficient farmers, increase their costs of production, freeze their production patterns, and in general inhibit the development of more efficient production and marketing techniques. Also, loss of volume would increase processing and marketing costs. I am sure that the creameries which make up State brand creameries would show significant increases in processing and marketing costs if volume were reduced, and this would further reduce farmer income.

Marketing quota plans, whereby the farmer would be given a quota representing his share of the national market, based on past sales from his farm and total commercial sales of milk and dairy products in the United States, seem to us to be subject to the same criticism from the administrative point of view as production control plans as such.

I shall not describe or attempt to evaluate in detail the many types of production control and marketing quota plans that have been advanced. The United States Department of Agriculture furnished the Congress a comprehensive description of such proposals in its Study of Alternative Methods for Controlling Farm Milk Production and Supporting Prices to Farmers for Milk and Butterfat, published as House Document No. 57, 84th Congress, 1st session.

Suffice it to say in summary regarding control and quota schemes that:

1. We do not think such proposals are administratively feasible, and probably would do far more harm than good to the dairy farmer over a period of time.

2. We do not think that any production control, price support, or marketing quota plan that would be financed by the dairy farmer is fair. By this we mean that the major difficulties now confronting the dairy farmer are due in quite large part to Government dairy programs during the war, and to the approval of the Congress in permitting oleomargarine to copy the major attributes of butter.

3. We think that the dairy situation shows very real signs of righting itself over the next few years. Consumption seems to be on the up-grade, production has apparently levelled off, and the CCC is moving with considerable speed in reducing its inventories of dairy products under the several programs approved last year by the Congress.

SELF-HELP PLANS

From time to time, proposals have been advanced whereby the farmer would finance his own program of price support or production and marketing control. This would be accomplished by levying a processing tax or stabilization fee at the point of first purchase of milk and butterfat delivered from farms.

Also, considerable attention has been developed regarding a marketing quota plan, also producer financed.

We do not believe that either of these plans should be enacted partly because of what we consider to be basic flaws in the proposals, and partly because we do not think the dairy situation at this time warrants launching a vast program such as each of these plans visualizes.

In view of improvement in the dairy supply and demand situation, we wish to recommend to the Sub-Committee at this time a self-help plan that is designed to permit a marked increase in the efforts of the dairy industry to increase the demand for its products and thereby contribute to bringing supply and demand into balance, without launching on a highly involved scheme of regimentation through production control or marketing quotas, or some plan under which producers would be taxed to buy up the surpluses and give them away, largely abroad.

THE SELF-HELP PLAN OF THE JOINT COMMITTEE

The major features of our proposal are as follows:

1. It would be the declared policy of the Congress to promote a more stable balance between demand for and supply of dairy products in the United States through an expanded program to (a) promote more effective merchandising of milk and dairy products, (b) expand the health and education work with consumer groups, (c) promote efficiency in marketing and utilization of milk and dairy products through an expanded program of marketing research, and (d) to provide the means whereby dairy farmers of the United States can finance the program designed to increase consumption of milk and butterfat and research in improved marketing and merchandising practices through the payment of a program fee levied at the point of first purchase of milk and butterfat.

2. A small program fee would be levied on all milk and butterfat sold from farms in the United States at the point of first purchase.

3. The money collected from this fee would be used to promote the sale of milk and dairy products, increase marketing research, and increase the health and educational work being carried on by the industry at this time.

4. The Secretary of Agriculture would administer the program with the advice of a Dairy Advisory Board. The Board would be appointed by the President and would be composed of 12 members, who shall be producers of milk or butterfat, except that 6 of the producer members of the Board may be officers or employees of cooperative associations meeting the requirements of the Capper-Volstead Act (7 U. S. C., secs. 291–292); 5 members shall be processors of milk and dairy products other than producers or cooperative associations of producers; and 3 members shall be appointed as public members representing the public at large.

The duties of the Board would be to advise the Secretary as to the agencies which he would use in carrying out the pomotion, merchandising, and research activities that would be authorized by the proposed law, advise as to the suspension or reduction of the program fee levied by the proposed law, and advise as to the allocation and expenditure of funds collected from the program fee.

5. The Secretary would be authorized to allocate the moneys collected from the program fee among the programs authorized by the proposed law and to contract with nongovernmental organizations or firms to carry out the programs.

It is at this point that the important provision of this proposal, insofar as it relates to the administration of the proposed bill, becomes apparent. The proposed bill is designed to give the Secretary, as recommended by the Board, general supervisory control of the allocation and expenditure of the money collected under the program fee. However, under the proposal the Secretary is supposed to use regularly organized nongovernmental firms and organizations in carrying out the programs authorized by the proposed bill, as for example the American Dairy Association and the National Dairy Council. It is not intended that the Department of Agriculture establish a new division and engage in the detailed operation of a promotion, merchandising, and research program.

6. The maximum program fee that could be levied pursuant to this proposed bill is 1 cent per pound of butterfat in cream delivered from farms to plants, and 4 cents per hundredweight of milk delivered from farms to plants in the form of milk.

At the maximum fee permissible under the proposed law, approximately $40 million would be collected each year for the conduct of the programs authorized by the law.

However, in case the advisory board and the industry thought that a sum such as $40 million could not be used effectively in any given year, the Secretary is authorized to suspend the program fee or to reduce it. Thus, if it was considered that only $10 million could be expended effectively for the purposes of this program, the Secretary would have the authority under our proposal to reduce the fee to 1 cent per hundredweight for milk and one-fourth cent per pound of butterfat at which rates approximately $10 million would be collected.

This program is designed to augment not to replace, the current program of the American Dairy Association and the National Dairy Council, which is now financed largely by voluntary deductions from producers. Of course, under this proposal, it would not longer be necessary to spend significant sums of money securing voluntary contributions from farmers, and all farmers would contribute equally. Under the voluntary program, of course, some farmers do not choose to cooperate, thereby avoiding paying any of the costs.

Under the recently expanded program of the American Dairy Association, somewhat over $4 million will be spent this year in promotion and merchandising. The available evidence seems to indicate rather clearly that the current program is a factor of importance in maintaining and in expanding the per capita consumption of milk and dairy products, and it is felt that the expansion of the program such as would be authorized by this law would permit doing an even more effective job.

It seems to the Joint Committee that a proposal of this nature is far superior to more drastic proposals which have been made such as proposals to control production, set up a quota system, or tax farmers for the very high costs of removing the heavy surpluses that we have encountered the last couple of years, particularly when it is recalled that the farmers themselves are not nearly as responsible as the Government for the development of such surpluses.

It is our considered judgment, as pointed out previously in this statement, that it is practically impossible to control production of milk on farms in the United States.

TABLE 1.—*Milk cows and milk production on farms, United States, 1940–54*

Year	Number of milk cows on farms	Production per total milk production			
		Milk cow		On farms [1]	
		Milk	Butterfat	Quantity	Amount per capita
	Thousands	*Pounds*	*Pounds*	*Million pounds*	*Pounds*
1940	24,940	4,622	184	109,412	828
1941	25,453	4,738	188	115,088	863
1942	26,313	4,736	188	118,533	879
1943	27,138	4,598	183	117,017	856
1944	27,704	4,572	182	117,023	846
1945	27,770	4,787	190	119,828	856
1946	26,521	4,886	194	117,697	832
1947	25,842	5,007	199	116,814	810
1948	24,615	5,044	200	112,671	768
1949	23,862	5,272	209	116,103	778
1950	23,853	5,314	210	116,602	769
1951	23,722	5,313	210	114,841	744
1952	23,369	5,328	211	115,197	733
1953	24,094	5,447	213	121,219	759
1954	24,675	5,500	217	123,796	762
1955 [2]	24,408				

[1] Excludes milk sucked by calves and milk produced by cows not on farms.
[2] Preliminary.

Source: Reports of the Agricultural Marketing Service, U. S. Department of Agriculture.

TABLE 2.—*Per capita consumption of major dairy products and oleomargarine, average 1935–39, and annual 1943–54*

[Pounds]

Year	Fluid milk and cream	Butter	Oleo	Cheese	Evaporated	Nonfat solids
Average 1935–39	330	16.8	2.8	5.5	14.9	1.9
1943	371	11.7	3.8	4.9	16.9	2.1
1944	381	11.8	3.8	4.8	13.6	1.5
1945	399	10.8	4.0	6.6	16.1	1.9
1946	389	10.4	3.8	6.6	16.8	3.2
1947	369	11.1	4.9	6.8	17.9	2.9
1948	355	9.9	6.0	6.8	18.1	3.3
1949	352	10.4	5.7	7.2	17.6	3.2
1950	349	10.6	6.0	7.6	17.9	3.6
1951	352	9.5	6.5	7.1	16.0	4.2
1952	352	8.6	7.8	7.5	15.5	4.6
1953	350	8.6	7.9	7.4	15.2	4.1
1954	352	9.0	8.0	7.6	14.5	4.0

Source: U. S. Department of Agriculture, Agricultural Marketing Service, the Dairy Situation, October 1954.

The proposal which we are submitting to you visualizes that the dairy industry would expand the demand for its products sufficiently to eliminate the surpluses. We think such a proposal is much more sound than drastic production-control programs and continued programs of purchasing our surpluses and giving them away, largely abroad. At the least, we think that a proposal of this nature should be given an opportunity to demonstrate whether or not it will solve or at least go a considerable distance toward solving the dairy surplus problem.

There is attached hereto as appendix A, a copy of a proposed bill designed to provide the legal authority for carrying out the program described herein. We recommend its acceptance by this committee.

TABLE 3.—*Status of dairy price-support purchases and utilizations, Apr. 1, 1952, through Apr. 30, 1955*

[Pounds]

	Butter	Cheddar cheese	Nonfat dry milk solids
Purchases:			
1952–53 (Apr. 1, 1952, to Mar. 31, 1953)	143,348,182	75,236,131	210,410,097
1953–54 (Apr. 1, 1953, to Mar. 31, 1954)	380,184,566	452,485,208	665,871,918
1954–55 (Apr. 1, 1954, to Mar. 31, 1955)	210,709,029	153,341,442	523,207,269
1955–56 (Apr. 1–30, 1955)	19,156,864	7,705,652	68,068,979
Total	753,398,641	688,768,433	1,467,558,263
Uses:			
Commercial domestic sales	23,609,516	128,185,742	4,462,851
Animal and mixed feed sales			583,600,907
Sec. 32 outlets	107,008,703	37,236,449	21,146,130
Sec. 416 donations:			
Domestic	94,195,809	74,439,021	72,604,238
Foreign	[1] 202,527,330	121,137,592	393,234,746
Commercial export sales	2,491,059	576,887	5,413,280
Noncommercial export sales	[1] 25,551,300	3,306,900	271,695,760
U. S. Army transfers	63,089,098	2,229,347	7,131,803
FOA transfers	[1] 9,113,000	4,524,000	11,581,708
Other	[2] 4,631,456		80,000
Total	532,217,271	371,635,938	1,370,951,423
Estimated uncommitted supplies as of Apr. 30, 1955	221,181,370	317,132,495	96,606,640

[1] Butter total includes the following quantities of butter programed for conversion to butter oil for distribution through the 3 following outlets 58,706,000 pounds for sec. 416; 18,937,500 pounds for noncommercial export, and 2,680,000 pounds for FOA.
[2] Other uses include butter salvage sale, cocoa butter extender sales, butter sales and donations to the Veterans' Administration, donations of dry milk for research, and butter sold for liquid milk recombining.

Source: Release 1127-55, U. S. Department of Agriculture, May 6, 1955.

TABLE 4.—*Number of farms reporting milk cows and number of milk cows, by size of herd, United States, 1950*

Size of herd	Milk cows, 1950		Percentage of total	
	Farms reporting	Number of milk cows	Farms reporting	Number of milk cows
United States, total	3,681,627	21,367,470	100.0	100.0
1 milk cow	1,058,457	1,058,457	28.8	4.9
2 milk cows	646,200	1,292,400	17.6	6.0
3 or 4 milk cows	603,616	2,069,811	16.4	9.7
5 to 9 milk cows	717,196	4,758,496	19.4	22.3
10 to 14 milk cows	317,275	3,704,832	8.6	17.4
15 to 19 milk cows	155,820	2,589,705	4.2	12.2
20 to 29 milk cows	119,308	2,758,128	3.2	12.9
30 to 49 milk cows	46,940	1,691,594	1.3	8.0
50 milk cows and over	16,815	1,444,047	.5	6.6

Source: Bureau of the Census, U. S. Department of Commerce.

TABLE 5.—*Sales of milk and milk equivalent of butterfat in cream sold from farms in the United States, by size of herd, 1950*

Size of herd	Milk		Milk equivalent in cream		Total milk and cream	
	Million pounds	Percent	Million pounds	Percent	Million pounds	Percent
United States total	69,599		14,835		84,434	
1 cow	442	.6	354	2.4	796	.9
2 cows	591	.9	709	4.9	1,300	1.6
3 to 4 cows	1,850	2.7	1,949	13.4	3,799	4.6
5 to 9 cows	9,182	13.4	5,367	36.9	14,549	17.5
10 to 14 cows	12,260	17.8	3,443	23.6	15,703	18.9
15 to 19 cows	11,458	16.7	1,519	10.4	12,977	15.6
20 to 29 cows	14,229	20.7	861	5.9	15,090	18.1
30 to 49 cows	9,530	13.9	228	1.6	9,758	11.7
50 cows and over	9,126	13.3	126	.9	9,252	11.1
Total	68,668	100.0	14,556	100.0	83,224	100.0

NOTE.—United States total is larger than totals listed by size of herd because of deletion of item represented by sales from farms previous year which had no cows at time of census tabulation.

Source: Bureau of the Census, U. S. Department of Commerce.

APPENDIX A

SELF-HELP PROPOSAL OF THE JOINT COMMITTEE OF THE NATIONAL CREAMERIES ASSOCIATION AND THE AMERICAN BUTTER INSTITUTE

A producer-financed program for the expansion of consumption of milk and dairy products in the United States

A bill to provide for a nationwide program for the expansion of consumption of milk and dairy products; to improve the health and well-being of the population; to promote an expanded program of research in dairy marketing; to impose a program fee on the production for sale of milk or butterfat; and for other purposes

Be it enacted, etc.—

SECTION 1. This act may be cited as the Dairy Promotion, Marketing, and Research Act of 1955.

SEC. 2. Legislative finding: Milk and dairy products represent one of the most important sources of foods needed for a highly nutritious diet for the people of the United States. At present the people of the United States are lagging far behind the people of some other nations in their consumption per capita of milk and dairy products. It is in the national interest that farms of this country produce milk and dairy products in sufficient volume for the population to have available adequate supplies of milk and dairy products, and to aid in developing a pattern of use of agricultural resources designed to maintain the soil resources of the country. It is equally in the national interest that consumers have available full information as to the benefits to health and well-being to be derived from increased consumption of milk and dairy products, and that there be undertaken an expanded program of market research which will aid in improving quality of milk and dairy products and in making more efficient the system of processing and delivering milk and dairy products from farms and plants to consumers.

SEC. 3. Declaration of policy: It is hereby declared to be the policy of the Congress to promote a more stable balance between supply of and demand for dairy products in the United States through an expanded program designed to (a) promote more effective merchandising of milk and dairy products, (b) expand the health and education work with consumer groups, (c) promote efficiency in marketing and utilization of milk and dairy products through an expanded program of marketing research, and (d) to provide the means whereby dairy farmers of the United States can finance the program designed to increase consumption of milk and butterfat, and research in improved marketing and merchandising practices through the payment of a program fee levied at the point of first purchase of milk and butterfat.

SEC. 4. Definitions:

(a) "Milk," "butterfat," and "dairy products" mean milk, butterfat, and all products of milk and butterfat commercially produced and marketed in the United States.

(b) The term "Secretary" means the Secretary of Agriculture, and the term "Department" means the United States Department of Agriculture.

(c) The term "person" means any individual, partnership, corporation, association, or any other business entity duly organized and operating under the laws of the United States or the several States and Territories.

(d) "Milk producer," or "producer" means any person engaged in the production of milk or butterfat for sale.

(e) The term "Board" means the Dairy Advisory Board.

(f) "Program fee" means the excise tax levied on the sale of milk and butterfat and collected at the point of first purchase to finance the programs authorized by this act.

SEC. 5. Dairy Advisory Board: There is hereby established a Dairy Advisory Board consisting of 20 members, to be appointed by the President. Twelve members of the Board shall be producers of milk or butterfat except that six of the producer members of the Board may be officers or employees of cooperative associations meeting the requirements of the Capper-Volstead Act (7 U. S. C. A. secs. 291–292); five members shall be processors of milk and dairy products other than producers or cooperative associations of producers; and three members shall be appointed as public members representing the public at large: *Provided, however,* That no person shall have more than one representative on the Board. The Secretary, or his designated representative, shall be an ex-officio member of the Board. In appointing the producer and processor members of the Board, the President shall:

(a) Endeavor to secure appropriate regional representation from the several important dairy regions of the United States.

(b) Endeavor to secure appropriate representation of the several major products produced from milk and butterfat, including, but not limited to, fluid milk, butter, cheese, dry milk solids, frozen products, and condensed and evaporated milk products.

SEC. 6. Terms of Board members: Terms of Board members shall be 2 calendar years, and members may be reappointed for only one additional 2-year term at the discretion of the President.

SEC. 7. The Board shall meet at the call of the Secretary, or upon call of the Chairman. Each Board member shall be entitled to receive a per diem of $50 for each day's attendance at Board meetings and while traveling to and from such meetings, and travel, subsistence, and other expenses as incurred in discharging their duties as directed by the Board.

SEC. 8. Duties of the Board: The Board shall serve in an advisory capacity to the Secretary in the conduct of the Secretary's duties in administering the powers conferred upon him by this act, including but not limited to the following:

(a) Advice as to agencies with which the Secretary may contract in carrying out the promotion, merchandising, and research activities authorized by this act;

(b) Advice as to the suspension, in whole or in part, of the program fee levied under this act;

(c) Advice as to the allocation and expenditure of funds collected from the program fees among the several activities authorized by this act.

SEC. 9. Powers of the Secretary. The Secretary shall have the following powers under this act:

(a) To allocate the moneys collected from the program fee among the several program activities authorized by this act and recommended by the Board;

(b) To contract with nongovernmental organizations or firms which may include but are not limited to the American Dairy Association and the National Dairy Council, to carry out programs approved by the Board and the Secretary: *Provided, however,* That none of the funds collected pursuant to the provisions of this act shall be used to promote any brand of any person, or any other brand name that might be applied to milk or any of its products.

(c) In the conduct of the powers and duties conferred on the Secretary of Agriculture by this section, it is intended that he shall, with the advice and assistance of the Board, have general supervisory control over the allocation of program funds and expenditures thereof, to agencies selected by him to conduct the operational details of the several programs: *Provided,* That it is not the intent of this section that the Secretary or the Department assume the direction of operational details of authorized programs, such as the media or persons to be used in promotion campaigns, or the format, make-up, or production of promotional and merchandising material: *And provided further,* That none of the funds allocated to research programs hereunder shall be considered to be in replacement or in lieu of funds appropriated by the Congress for research under the Agricultural Marketing Act of 1946, as amended (7 U. S. C. A., secs. 1621–1629).

(d) To report and account fully to the President and the Congress the results of operations annually, together with an evaluation of the programs authorized and operated pursuant to this act.

SEC. 10. Program fee:

(a) There is hereby levied against all producers of milk and butterfat for sale, effective January 1, 1956, a program fee in the amount of 4 cents per hundredweight of milk delivered from farms to plants, and in the amount of 1 cent per pound of butterfat in cream delivered from farms to plants: *Provided, however,* That the Secretary may suspend the application and collection of said program fee, in whole or in part, for any calendar year, or part thereof, by determining and publishing on or before the first day of the month preceding the period for which such suspension is to be in effect, his finding that the full amount of the program fee will not be needed to finance and carry out the programs authorized by this act and approved by the Secretary, with the assistance and advice of the Board.

(b) In exercising his power of suspension under the proviso of paragraph (a) of this section, the Secretary shall take into consideration the unexpended balance available to him in the special fund created for the purposes of this act, the budgeted financial requirements to carry out the programs authorized under this act and the intent of the Congress that the funds collected under this act should be, as nearly as practicable, commensurate with the estimated costs of the programs to be administered during any calendar year.

(c) Every person purchasing milk, butterfat or any product of milk and butterfat from a producer (except purchases by consumers other than commercial processing) shall withhold from the purchase price an amount equal to the program fee levied herein, and shall remit the sums so withheld to the Commissioner of the Internal Revenue Service. For the purposes of this section, milk, butterfat, and dairy products delivered by a producer to a cooperative association of producers shall be subject upon such delivery to the program fee levied herein. Returns shall be filed and remittances made monthly by such purchasers in accordance with rules prescribed by the Commissioner of the Internal Revenue Service.

(d) Producers of milk, butterfat, or dairy products holding licenses or permits issued by Federal, State, or local agencies authorizing them to sell milk, butterfat, or dairy products directly to consumers shall file returns and pay the program fee on all sales made by them to consumers.

(e) In fluid milk markets operating under marketing orders issued by the Secretary pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, handlers subject to the minimum price provisions of such order shall withhold from the payments to producers required by such orders a sum equivalent to the volume of milk or butterfat received from producers delivering to them multiplied by the program fee levied herein, and shall file returns and make remittances monthly of the sums so withheld to the Commissioner of the Internal Revenue Service.

(f) The Internal Revenue Service shall collect the program fees levied herein and shall prescribe such rules and regulations as may be necessary to accomplish that purpose.

(g) The collection of the program fee levied herein shall be enforced in the same manner that the collection of Federal excise taxes are enforced, and the remedies, penalties, and punishments provided by law or regulation for enforcement of Federal ex-

cise taxes shall be applicable to the enforcement of the program fee.

SEC. 11. Appropriations: There is hereby appropriated for the fiscal year ending June 30, 1956, and for each fiscal year thereafter, an amount equal to the total program fee collected by the Commissioner of the Internal Revenue Service pursuant to this act. Such funds shall be maintained in a separate fund and shall remain available to the Secretary upon demand, to be used by the Secretary only for the purposes authorized and provided for in this act.

SEC. 12. No member of the Board may hold or acquire any fiscal interest in any agency or firm used by the Secretary in carrying out the powers and duties conferred upon him by this act.

SEC. 13. The activities and operations authorized by this act shall begin January 1, 1956; except that the Board may be organized within 3 months preceding the effective date of this act. The Secretary is authorized to expend from general funds available to him the amounts necessary for the conduct of the business of the Board during the period from the date of organization of the Board and the effective date of this act.

TWO HUNDRED AND FIFTIETH ANNIVERSARY OF THE BIRTH OF BENJAMIN FRANKLIN

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. O'BRIEN] is recognized for 20 minutes.

Mr. O'BRIEN of New York. Mr. Speaker, I have requested a few minutes of time today to call to the Members' attention and to the attention of the country to a celebration which may be unique in history. A national and international celebration is being planned for 1956 to honor the 250th anniversary of Benjamin Franklin's birth. I want to congratulate especially the Philadelphia committee, headed by Mr. C. L. Jordan, of the Franklin Institute, which is preparing this celebration to bring still greater recognition to the achievements of this great American.

The Members may wonder why I, a resident of New York State, should presume to discuss a celebration which is being arranged largely through the efforts of Pennsylvanians and, more particularly, Philadelphians.

I am doing so, Mr. Speaker, as an expression of gratitude to this House and to the Members from Pennsylvania.

On Friday next, June 24, we in Albany, N. Y., will mark the 201st anniversary of the First American Congress, at which Benjamin Franklin's plan of Union was adopted. A year ago, Congress passed and President Eisenhower signed a resolution honoring the 200th anniversary of that historic date. A delegation from the House and the Senate went to Albany to join in our celebration. A Member from Pennsylvania, the honorable JOSEPH L. CARRIGG, delivered a major talk.

When my resolution was before Congress, all of the Members from Pennsylvania and Philadelphia voted for it, generously sharing with us some of the greatness which was Franklin's. They were wise enough to realize that the magnitude of a Franklin was not diminished, but increased by sharing him with others.

That is the purpose of the celebration planned for next year. At that time, Pennsylvania and Philadelphia will not be sharing Franklin with Albany, or New York, or Washington, but with the whole world, a world which has been so much affected by what he did and said.

The international plan to honor Benjamin Franklin's 250th anniversary was started 3 years ago, at a meeting of 21 of the old societies and institutions with a Franklin tradition.

Those at the meeting were confronted by a major problem. Here was a man with such a broad contribution to so many fields that even a dozen celebrations could not cover fully what he gave to mankind and civilization. He was statesman, scientist, publisher, inventor. He was writer, educator, and diplomat. But, above all, he gave to the tired world a new horizon, dominated by a fresh, clean theory of free, individual enterprise at its best.

That is why the distinguished committee in charge of the celebration chose to make it one of voluntary, individual action all over the free world. There will be more than 500 sponsors in 40 countries, each planning its own celebration in its own individual way, in its own country and among its own peoples. From this will come a tremendous international ebb and flow of exchanged ideas, bringing closer the Franklin dream of a better understanding among peoples. These sponsors will include 25 famous old scientific and educational societies of which Franklin was a member, ranging from the Royal Society of Great Britain, to the American Philosophical Society which Franklin founded.

Colleges, schools, institutions, and governments will participate. The great publishing and broadcasting associations, representing more than 5,000 newspapers, magazines, radio and television stations, are cooperating. They will take the material originated in all countries and mail it to the 5,000 publishers and broadcasters, permitting millions to participate in their own countries, their own towns, their own homes. The committee has described this gigantic effort as "the first voluntary worldwide forum in history."

This is wise and good. A leading French scholar has said that if we, in America, had followed the teachings of Benjamin Franklin, there never would have been any communism in the world. That being so, perhaps this worldwide dissemination of what he taught may help turn back, even at this late date, the dark, creeping tides of communism.

Mr. Speaker, I have barely touched the surface of what will be done in 1956 to honor this great man. I sought here today to tell the patriotic people who envisioned this celebration that we are with them and will do all we can to make the torch lighted by Franklin gleam brighter.

The celebration we had in Albany a year ago brought a new surge of pride to the people of my city, who realized that, because of Franklin, their community was the place at which was taken the first formal step toward the establishment of the Federal Government. We have dusted off one page in the life and accomplishments of Benjamin Franklin. It is my earnest hope that hundreds of other pages will leap into life before the celebration of 1956 draws to a close.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. I would like to say that coming from Philadelphia, a green country town which Benjamin Franklin entered as a young man with 1 Dutch dollar and 3 loaves of bread, a town in which he lived and which came to know him as eventually the whole world came to know him as the protagonist of the well-rounded free individual, it is a great honor to join in saying to the gentleman that we in Philadelphia, along with some 500 groups around the world, intend to participate in the celebration of Mr. Franklin's birthday which comes on January 17, 1956. All over the world, wherever free people gather, the name of Benjamin Franklin is synonymous with the concept of freedom, of individuality, of strength of purpose and of the infinite variety of which human beings are capable in the adaptation of their own lives to the service and for the benefit of all humanity.

Mr. Speaker, I ask unanimous consent to include in the RECORD, following the statement of the gentleman from New York [Mr. O'BRIEN], a speech by Mr. C. L. Jordan, chairman of the International Celebration of the 250th Anniversary of the Birth of Benjamin Franklin, and a bulletin which outlines some of the activities planned for the International Celebration, as well as an excerpt from the general program or plan of the Celebration.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

TALK BEFORE THE 250TH ANNIVERSARY COMMITTEE OF NEW YORK BY C. L. JORDAN, CHAIRMAN, INTERNATIONAL CELEBRATION OF THE 250TH ANNIVERSARY OF THE BIRTH OF BENJAMIN FRANKLIN

Ladies and gentlemen, it is a very special privilege for me to meet with you here today. You folks in New York have made an inspiring start toward an outstanding Franklin celebration next year. I understand your batting average on acceptances to the committee was higher than the Brooklyn Dodgers' average—and that's going some.

Your chairman asked me to give you a little of the background on the international plan to honor Benjamin Franklin's 250th anniversary. I'd like to, because it has been more fun than anything I ever worked on before.

We started 3 years ago; 21 of the old societies and institutions with a Franklin tradition met at the Franklin Institute.

The first question we asked ourselves was: How do you honor the memory of a man like Benjamin Franklin? His life was so varied, his interests were so many—that a dozen celebrations might fail to cover the broad range of his contributions to mankind.

But the answer wasn't long in coming. The committee agreed that the best way was to try and create a program of the type that Poor Richard himself might suggest if he were with us, sitting in the chair.

Benjamin Franklin was one of the world's first great apostles of free, individual enterprise. The picture of a poor, lonely boy, with only 2 years of formal schooling—one Dutch dollar and three loaves of bread—rising rapidly to independent wealth as the foremost scientist, author, publisher, educator, and statesman of his day—electrified the imagination of the world, Mirabeau said he "poured a flood of light over all Europe" and did more than any other philosopher to "extend the rights of man across the earth."

Tired old countries, limited for centuries by autocratic government and favored classes, took heart and breathed deeply of a new freedom of opportunity for all men. They came by the thousands to Franklin's new country, or revised their own systems. The idea of free, individual enterprise, as Franklin taught it, became the most inspiring and dynamic force in 18th century civilization.

In the light of this record, there seemed to be only one thing our committee could do. We decided to make this celebration a typical example of voluntary, individual action all over the free world. We decided to invite 250 sponsors in 40 countries—societies, associations, institutions, governments, committees like yours. Each was to plan its own celebration in its own individual way—in its own country and among its own peoples. All were to combine in an international exchange of ideas to help the understanding between peoples that was Benjamin Franklin's life-long objective.

We took this idea first to the famous old scientific and educational societies of which Franklin was once a member. There were 25 of these—like the Royal Society of Great Britain, the French Academy, the Scientific Society of the Netherlands, the Gesellschaft of Germany, Arts and Science of Padua and our own American Philosophical Society which Franklin himself founded.

These famous old societies responded graciously, as they have for centuries, to any idea that broadens the field of knowledge and aids understanding among peoples.

We then invited the colleges, schools, institutions, and enterprises that Franklin founded or helped to found. They, too, responded enthusiastically—as did many governments which he served.

And as the news of the celebration spread, many, many more organizations and governments came to join the celebration. There are now more than twice the 250 we originally planned—in most of the countries with free and independent communications.

Free communications was a requirement because Franklin believed that man's greatest service to man was the free and voluntary exchange of ideas. Without such communications there could be no enduring wisdom, no real freedom, no international understanding or peace.

We took this plan to the great publishing and broadcasting associations representing more than 5,000 newspapers, magazines, radio and television stations. They said, "We'll be glad to help in memory of America's first great publisher."

So that's the plan. More than 5,000 groups like yours—in the major centers of the world—will originate their own programs. They will try to follow the rule that Franklin himself once wrote:

"Either write something worth the reading, or do something worth the writing."

Our central committee will take the material thus originated in all countries and mail it out to the 5,000 publishers and broadcasters—so that many millions of people, in their own homes, 'n their own countries, may share in the celebration. In effect, we are putting on what may be called the first voluntary worldwide forum in history.

Now, I expect you want to know what some of these sponsors, like yourselves, are doing. I'd like to tell you first about the most amazing experience we had in our trip to Europe to help organize this plan.

We were calling on the famous old societies of which Franklin was once a member. So far as we know, he was the only American ever elected to all of these great organizations which have led the cultural life and thought of Europe for centuries.

A leading French scholar said to me: "If you in America had always followed and explained the teachings of Benjamin Franklin, there never would have been any communism or even socialism in the world." I was startled—but I thought it might be just one man's opinion.

However, I was soon to find out my mistake. In other countries, many men were to repeat that observation in different ways. They told me that was one reason why they were so glad to cooperate in the celebration. They hoped people would talk about Franklin's kind of free enterprise. They felt it offered the only ideology in the world today that could still inspire millions of people and defeat the various "isms" that were tending to make the individual lose his dignity and personal drive.

I came back home very humble and determined to find out where we had failed to live up to the goals Benjamin Franklin had set for us.

It wasn't very hard to find. Our two early apostles of private enterprise were Benjamin Franklin and Alexander Hamilton. Both believed in the same basic system, but Hamilton believed that the right to achieve individual success was the supreme goal in itself alone.

Franklin believed that it carried an obligation to help others who were less fortunate.

As time went on, both beliefs were changed to fit the temper of different individuals. Some businesses changed Hamilton's theory into the fancied right to exploit labor, build monopolies, crush competition by any practical means—in fact, as it has been called, "the survival of the fittest in industry."

Other business men followed Franklin. But the headlines played up the "dollar barons" who put personal wealth above all other considerations.

I know this is not free enterprise today—but many people still believe it is. Strange—how few you meet can define clearly Franklin's system of private enterprise, yet as Turgot tells us, it "snatched the scepter from the hands of tyrants" as surely as it snatched the lightning from the skies. We are going to talk about that system in the celebration next year. It is a very simple one and one that I believe every person in this room follows.

Franklin taught that each basic freedom carried with it a clear and definite obligation:

Freedom of speech and the press carried with it the obligation not to say or print anything that would hurt our country or the rights of any innocent individual.

Freedom of religion required that every faith would recognize the right of others to believe in another faith if they so preferred.

Freedom of opportunity and education required that it should be made available to all, without regard to class, caste, race, color, creed, or sex.

Freedom of the individual to achieve success through private enterprise carried with it the obligation to aid in the security of others less fortunate through circumstances beyond their control.

It was this belief that caused Benjamin Franklin to found the insurance industry in this country where "the many could share the losses of the few." To recommend old age pensions, annuities, public drives for charity and medical research, crop insurance for farmers against storm, hurricane, and drought, and to help found the public hospital system for the care of the poor and needy.

Nearly 200 years passed before all of these things were done—but they are a part of free enterprise today—the inspiring heart of a system that, as Mirabeau said, has done most to extend the rights of man across the earth.

Many of our sponsors, as I said earlier, are going to tell this story again in 1956, in the belief that it has greater vitality and force than any other ideology in the world. Others will emphasize other teachings of Franklin. I have here today the paper prepared by Ezra Taft Benson, Secretary of Agriculture. It tells, in a democratic way, how Franklin's plan for the exchange of technical ideas in farming can help to feed the rapidly growing populations of the world and end the fear of hunger and famine that causes so much bitterness and war.

We have half-a-dozen papers by the great medical societies on Franklin's predictions of how medical research could lengthen our lives and ease our pain. Not many people remember that Benjamin Franklin was one of the great pioneer leaders of the medical profession—a member of the Medical Society of London and the Royal Medical Academy of France. He led the crusade for preventive medicine through research, and the average American now lives twice as long today as in 1776. He will live to be more than 100, Franklin said, if we do our job right.

The Congress of the United States has planned its individual program, too. It plans to present a Distinguished Service Medal to the famous old societies of which Franklin was a member—and which are now preparing carefully researched papers on the four basic fields in which Benjamin Franklin served: Science—man and matter; sociology—man and society; economics—man and his works; international relations—man and his ideals.

I doubt, if ever before in history, have so many brilliant minds in so many countries ever focused on such an orderly plan of spreading basic knowledge and ideas.

I wish there were time to tell you about all the individual plans—of how the sponsors in London already have arranged for 7 weeks of celebration; how those in Paris have arranged for 6 weeks; how the orchestras of many counrties will play in tribute to America's first great musicologist; how the scientific and engineering societies will combine in an effort to solve the shortage of scientists and engineers in memory of the man who first introduced such subjects into our schools and colleges.

The University of Hiroshima in Japan is one of our committee of sponsors, as is the University of San Marcos in Lima, Peru—oldest university in the Americas; and the Montreal, Canada, Gazette which Franklin helped to found and which is today the oldest, continuously published English-language newspaper in the British Commonwealth.

You would be thrilled, as I have been, at the way Benjamin Franklin lives in the memories of millions of people all over the world. In Argentina, where Sarmiento revised the school system and called himself "the little Franklin"—in Holland, where they told me that Benjamin Franklin helped to build their first great scientific society, one of our sponsors today—in almost all countries where they said Benjamin Franklin was the best salesman America ever had.

But I am in danger of overstaying my time. The one thought I would like to leave with you is this: The 1956 celebration is 100 percent individual in character. In this way, all of us can, perhaps, make a contribution to better understanding after the manner of Benjamin Franklin, himself.

BULLETIN NO. 2—SOME ACTIVITIES PLANNED FOR THE INTERNATIONAL CELEBRATION OF THE 250TH ANNIVERSARY OF THE BIRTH OF BENJAMIN FRANKLIN

The plan for this celebration has been for each of the cooperating societies, associations, and institutions to create its own pro-

gram in memory of Franklin, in its own traditional manner in its own country.

News summaries of such papers, articles, and events will then be sent by our central committee to about 5,000 newspapers, magazines, radio and television stations—so that millions may share in the celebration.

As the program develops, more and more groups in allied fields are emphasizing related themes—in the belief, as Franklin put it, that "the same truths may be repeatedly enforced by placing them daily in different lights in different newspapers * * * which gives a great chance of establishing them."

A summary of some of these central themes follows:

1. EDUCATION AND THE NATURAL SCIENCES

A major theme developing in this section is the need for studying the broad field of knowledge and not just limited specialties. Benjamin Franklin was a great advocate of this principle. His famous "Proposals for the Education of Youth" emphasized the wisdom of teaching both classical and practical technical subjects. His own life as scientist, author, businessman, statesman, and philosopher is a shining example of the complete man—the type of scholar needed in this day of specialization.

Papers on this subject will be given very high and frequent visibility during the anniversary year.

2. INTERNATIONAL RELATIONS AND THE PUBLIC SERVICE

Benjamin Franklin was a public servant who believed sincerely in the power of an informed public. In an age when most diplomatic relations were determined in secret by court representatives, Franklin startled the world by carrying his program to the people.

John Adams said of his mission to France: "There (is) scarcely a peasant or citizen, a valet de chambre, coachman or footman, a lady's chambermaid or a scullion in the kitchen who * * * (does) not consider him as a friend to human kind * * * they (seem) to think he (is) to restore the golden age."

This plan of Franklin's to win the interest of all the people in better understanding and cooperation is the central theme of the entire anniversary celebration. All groups have been requested to observe this theme when practical.

3. PUBLISHING, BROADCASTING AND COMMUNICATIONS

Franklin believed that man's greatest service to man was the free and voluntary communication of ideas. His lifelong fight for freedom of speech, freedom of the press, freedom of religion, freedom in scientific exchange, in commerce and in opportunity poured a flood of light over the world of his day.

The great associations representing more than 5,000 newspapers, magazines, radio and television stations, which are cooperating in memory of Franklin, will do so in Franklin's own manner—publish or broadcast such news of the celebration as will interest the readers.

In this way, it is expected that many millions of people, in their own homes, in their own countries, may share in the celebration.

4. SCIENCE AND ENGINEERING

Benjamin Franklin's proposals brought the teaching of practical and technical subjects into American colleges for the first time.

Yet, despite the amazing progress of technology since then, one of the most critical needs in the world today is for more and more young technicians, engineers and scientists.

Many of the great scientific and engineering societies and institutions will combine in 1956 to provide the facts that will help encourage more young men and women to prepare for such careers.

Always, as in the pattern of Franklin, the engineer is urged also to study the humanities, that science may keep clear its goal as a servant to mankind.

5. MEDICINE AND THE PUBLIC HEALTH

Few people think of Benjamin Franklin as one of the pioneer leaders in the medical profession. Yet it was he who helped found America's first public hospital and devised a plan for public and State cooperation in the care of all who suffered. His vigorous championship of the public's responsibility for aiding medical research helped to lay the foundations on which this great profession has lengthened our lives and eased our pain.

One of the major themes in this section will be to emphasize the close cooperation that should exist always between the public and the profession—towards the end that millions of more lives can be saved and made more useful.

6. PRINTING, ADVERTISING AND THE GRAPHIC ARTS

Despite all the proud titles he won in a lifetime of service to humanity, Franklin described himself in his last will and testament—"I, Benjamin Franklin, printer."

He knew that printing, advertising and the graphic arts offered the means for communicating the ideas that could reshape the world. His theory of the "electric fluid" helped to pave the way for the later great media of communications—the telephone, telegraph, radio, and television. (A fascinating fact is that Marconi's antenna that picked up the first transatlantic signal was held aloft by a kite in Newfoundland—descendant of that storied kite with which Franklin first brough down the lightning from the skies.)

Many of the societies, associations, and institutions in this section will carry on Franklin's great fight for continued freedom in the communication of ideas, in publicity, advertising, publishing, and broadcasting.

"When men differ in opinion" Poor Richard wrote in his Apology for Printers, "both sides ought equally to have the advantage of being heard by the public; and when truth and error have fair play, the former is always an overmatch for the latter."

7. FINANCE—INSURANCE—PRIVATE ENTERPRISE

Many people have called Benjamin Franklin an apostle of private enterprise. Certainly, the rules and obligations he laid down for this type of system were the most enlightened in history.

After more than 200 years, the world is just beginning to appreciate fully and to understand these rules and obligations.

It was Franklin who pointed out that the gaining of wealth alone was not an end in itself. He believed that the privilege of the individual to become successful carried with it the obligation to help those who were less fortunate. He advocated old age pensions, help for the needy, all known types of insurance against loss by factors beyond control, crop insurance for farmers, public service as a public duty.

Had these principles been more widely understood and practiced, the system of private enterprise would have swept more irresistibly across the face of the world.

Many who are cooperating in this section will seek to present the true meaning of free enterprise, and how it serves all of the people, whatever their circumstance or fortune.

8. RELIGION, FRATERNAL AND THE HUMANITIES

Stung by the religious and social prejudices which still existed in a country settled by people who had fled from other persecutions, the Presbyterian Franklin recommended to the Pope the appointment of America's first Catholic bishop. His name headed the list of subscribers to the Jewish synagogue; and he lent his aid to buying ground and building a house "expressly for the use of any preacher of any religious persuasion who might desire to say something to the people."

The great Masonic fraternity credits him with having helped change their membership from a club for the wealthy to an order for people of every class.

A major theme for this section was best expressed by the famous French Ambassador, Jules Jusserand:

"He (Franklin) taught us something we have never forgotten * * * that no man should have a better chance in this world because he happened to be born in some certain caste or class."

9. AGRICULTURE, HORTICULTURE AND BOTANY

Ezra Taft Benson, United States Secretary of Agriculture, in his tribute to Benjamin Franklin as a pioneer in scientific farming, research and education, said:

"Today, we recognize that the agricultural scientists is as important to building permanent peace as even the greatest statesman * * * The world has the means through research to knock out starvation in every corner of the globe * * * and bring that security and prosperity to agriculture that would help to lay the real foundations for permanent peace * * * This is the kind of work that must be expanded today * * * and shared among all nations."

That, in the Secretary's words, is the theme which many in this section will emphasize during the anniversary.

10. MUSIC, ENTERTAINMENT AND SPECIAL EVENTS

During the past year, music composed by Benjamin Franklin has been played in Europe and America. These events attracted wide attention because so few people know that Poor Richard was America's first musicologist; music publisher, inventor of a musical instrument (the armonica); early composer and writer of popular songs.

Despite his thrift and industry, Franklin was a determined advocate of entertainment to lighten and pleasure the process of living. He was the first American to recommend organized college sports and recreation as a part of the school curriculum. It was at a picnic on the banks of the Schuylkill that he first demonstrated the practical use of electricity for cooking and entertainment. Many of his toughest battles were won by the sparkling wit that amused as well as influenced his listeners.

A large number of special events are scheduled during the anniversary year, paying tribute to the man who, Henry Butler Allen, Director of the Franklin Institute, has called "the philosopher with a twinkle in his eye."

These are a few of the themes that will run through activities planned for the international celebration. Additional copies of this bulletin No. 2 may be obtained by writing to: the 250th Anniversary Committee for the Franklin Institute, 20th and the Parkway, Philadelphia, Pa.

PLAN FOR THE CELEBRATION

Benjamin Franklin was born on January 17, 1706.

In his long and eventful life, he gave generously of himself in service to all mankind. He recognized no narrow boundaries of race, color, or creed.

To him, serving God meant "doing good to man."

So now, on January 17, 1956—250 years after his birth—many of the foremost societies and institutions of the world plan to honor his memory and his virtues.

They will do this after the traditional manner of Franklin himself—"Each to do his own part well, and all combine to make the parts a whole."

Briefly, that is the plan of the celebration.

More than 200 societies, associations, institutions, businesses, and public-service units with a Franklin tradition are invited to join the committee of sponsors.

Each sponsor will plan its own program in honor of Franklin, in its own country and in its branches in hundreds of cities. The highlights of these individual programs will be offered on a merit basis to the newspapers, magazines, radio, television, and pictures of all countries—so that many millions of people, in their own homes, may share in the celebration.

THEME

As scientist, inventor, publisher, author, printer, philosopher, stateman, and public servant, Franklin's service to man covered a wide range of activities.

Naturally, in their individual celebrations, many of the sponsors will pay tribute to Franklin's contributions in their own fields and in their traditional procedures and policies.

All are requested, wherever practical, to have a part of their program emphasize Franklin's great dream of a much closer and more cordial understanding between all the nations of the earth. "What vast additions to the conveniences and comforts of living might mankind have acquired," he wrote to Sir Joseph Banks from Passy in 1783, "if the money spent in wars had been employed in works of public utility."

The committee of sponsors will develop this theme in a very practical, nonpolitical manner. Franklin himself wrote: "Would you persuade, speak of interest, not of reason."

In recognition of this philosophy, many of the world's leading scientists, authors, educators, and statesmen are being invited by the sponsors to take a practical, human-interest part in the celebration. They are requested to look into the future of the kind of world described by Franklin, where better understanding between nations and peoples will permit more of the earth's rich resources to be devoted to the benefit of mankind.

These men and women will tell, in their own fields, of the improvements in standards of living, health, and happiness that could be thus achieved.

They will speak of great new scientific inventions, now in the laboratories of all countries, and which could benefit the people more rapidly under better conditions of international cooperation; of the challenging future of atomic energy once it may be harnessed for the service of man; of the miraculous strides of medicine which might save many lives that are now lost needlessly; of the progress in agriculture which could help to meet the needs of rapidly growing populations and reduce the haunting fear of famines; of the future aims in education which could aid so many more people to enjoy the fruits of progress; and of the philosophy of Franklin himself, who tirelessly fought for respect and equality among all races, colors, and creeds—to the end that, some day, there might be a deeper and more enduring kinship among mankind.

AS PRIVATE CITIZEN TO PRIVATE CITIZEN

Franklin believed that man's greatest service to man was in the communication of ideas, free and unfettered.

While he contacted many governments brilliantly—and all governments will be invited to cooperate in the celebration—the theme of better international understanding, and what it could mean to all peoples, will be presented without connection with the official foreign policies of any nation.

It is the Private Citizen Franklin whom we honor on this anniversary—the American philosopher who wrote to Joseph Priestly in England from his temporary home in Passy, France, in 1780, saying:

"The rapid progress true science now makes, occasions my regretting sometimes that I was born too soon. It is impossible to imagine the height to which may be carried, in a thousand years, the power of man over matter. We may perhaps learn to deprive large masses of their gravity, and give them absolute levity, for the sake of easy transport. Agriculture may diminish its labor and double its produce; all diseases may by sure means be prevented or cured, not excepting even that of old age, and our lives lengthened at pleasure even beyond the antediluvian standard.

"O that moral science were in a fair way of improvement, that men would cease to be wolves to one another, and that human beings would at length learn what they now improperly call humanity."

During the years that have passed since Franklin wrote that, great progress in true science has been made, even as he predicted. Large masses are now transported through the air with the greatest of ease. Agriculture has diminished its labor and more than doubled its produce. Our lives have been lengthened and many diseases prevented or cured. Magnificent media of communications have made it possible to spread ideas from nation to nation almost instantaneously.

Yet, even as Franklin feared, there has been much less progress toward real understanding and cooperation among the peoples of all nations. Reason has not persuaded as well as self-interest might.

FRANKLIN BELIEVED THIS

He always believed completely in the mission of the great scientific and educational societies to lead in the communication of ideas that would develop technology for the maximum benefit to mankind. He, himself, was an active and corresponding member of 24 such societies of his day.

How right he was in this belief is now a matter of history. The development of science in the 17th and 18th centuries, which Herbert Butterfield, professor of history, University of Cambridge, said "outshines everything since the rise of Christianity," was mainly due to the leadership of the scientific societies. (See Kenneth Mees, The Path of Science; Martha Ornstein, The Role of Scientific Societies in the 17th Century.)

Perhaps these societies now, together with the universities, associations, and institutions that would honor Franklin, may find a way to emphasize the practical self-interest of people everywhere in helping to bring about better understanding and cooperation among the peoples of all nations.

"We may make these times better, if we bestir ourselves," Poor Richard.

Mr. BYRNE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Pennsylvania.

Mr. BYRNE of Pennsylvania. Mr. Speaker, I am pleased to join my distinguished colleague from New York in honoring the memory of that great American printer, scientist, and statesman, Benjamin Franklin, who was born nearly 250 years ago on January 17, 1706.

At an early age he became the sole owner and editor of the Pennsylvania Gazette which at one time had the largest circulation in the American Colonies. His fame was spread even more widely by Poor Richard's Almanack which he published annually from 1732 to 1757. His proverbs are still household sayings in this country.

Benjamin Franklin was Philadelphia's first bookseller and established the first circulating library.

Electricity, in its infancy, interested him, and his famous kite experiment proved the indentity of lightning and electricity.

Despite the lack of formal education, he learned several languages and assimilated the best in the works of European philosophers and scientists. His scientific research covered every field—electricity, ocean phenomena, medicine, chemistry, heat and cold. His great mind seemed to grasp all spheres of human knowledge.

His public life and private practice rang true to his motto that "the highest form of worship is service to man." He was instrumental in founding in Philadelphia the academy from which the University of Pennsylvania grew, just as later he went to Lancaster and helped lay the cornerstone of the Franklin and Marshall College. He was a member of the Second Continental Congress and organized the Post Office Department, of which he was the first Postmaster General.

Reared in Boston, a citizen of Philadelphia, residing for 16 years in London and for 9 in Paris, he was equally at home in 3 countries; knew Europe better than any other American, America better than any European, England better than most Frenchmen, France better than most Englishmen, and was acquainted personally or through correspondence with more men of eminence in letters, science, and politics than any other man of his time.

It was remarked by Thomas Jefferson that Franklin was the one exception to the rule that 7 years of diplomatic service abroad spoiled an American. Twenty-five years of almost continuous residence abroad did not spoil Benjamin Franklin. Acclaimed and decorated as no American had ever been, he returned to Philadelphia and was immediately at home again, easily recognizable by his neighbors as the man they had always known—Ben Franklin, printer.

After a long life of exceptional activity, his last public act was to sign a memorial to Congress for the abolition of slavery. He died April 17, 1790, at the age of 84. At his funeral 20,000 people assembled to do him honor, and he was buried in Christ Church Burial Ground at Fifth and Arch Streets, in Philadelphia, within the congressional district I now have the honor of representing.

As a further mark of respect and honor for this great American, I introduced in January a bill, H. R. 2381, to authorize the issuance of commemorative medals to certain societies of which Benjamin Franklin was a member in observance of the 250th anniversary of his birth. I am in hopes the Congress will act favorably on this proposal before the end of this session.

SUPPRESSION OF HUMAN RIGHTS BY DICTATOR PERON

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the journey of mankind toward a government of laws under which the inalienable rights of man can be enjoyed as a right, and the free exercise of which is guaranteed by law, and which government itself cannot deny or suppress, has been a long and painful one.

Among these rights are the right of freedom of religious conscience, freedom of speech, and of the press, the right of petition and of peaceful assembling, and many others.

Unfortunately, in a substantial part of the world, dictators of various types even today suppress and attempt to destroy these freedoms, and the free exercise thereof.

The first step of the dictator is usually to attack a free press and to suppress it. Then follows the usual pattern of attacking and suppressing a free educational system or institutions, and an attack on and suppression of religion as such, or some particular religion.

Where freedom of the press is curtailed and suppressed, then suppression of freedom of religion follows, as well as other rights recognized as the freedoms of the individual and of a people.

Our forefathers recognized in man certain God-given rights, possessed antecedently to, and independently of, any government—and that it was the government's duty and obligation to guarantee and protect them.

For dictatorial government may temporarily suppress but can never destroy those God-given rights.

And across the pages of history comes in Argentina another such dictator, Juan Peron, who with the recklessness of men of his type disregard the lessons of history.

For history shows that his type comes, causes suffering and distress, and when he passes, as he will, he does so quickly leaving only contempt for himself and what he stood for.

For Peron did not create the inherent desire of the people of Argentina to possess those freedoms which constitute the inalienable rights of man. And while he might temporarily suppress them, he cannot destroy them. And neither can any other dictator.

For the problem in Argentina is essentially one of human freedom.

In addition, Peron cannot withstand the voice and the power of an aroused world public opinion.

I am confident that the liberty-loving people of Argentina are deeply concerned over the loss of their freedoms, and the war on the Catholic Church that Peron deliberately started, and is waging.

For Peron may cause suffering, but he cannot win.

In the light of this attack upon the liberties of the people of a proud nation, our Government should reconsider its relationship with Peron, the one man dictator of Argentina, and see that no action on the part of our Government will strengthen Peron's hold on the Government of Argentina.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SCOTT. I would like to associate myself with the sentiments the gentleman has expressed and recall the fact that I was in Buenos Aires, Argentina, last December when some of these repressive measures were being initiated; when people gathered outside of their places of worship at the close of the service, the cry went up, "Viva Peron. Long live Peron." That cry arose from some 5,000 people. As such cries must always be answered throughout the world, they were answered in this fashion: "Viva Cristo el Rey"—"Long live Christ the King."

So I think that when people respond from their hearts and from their souls with an expression of spiritual leadership against temporal oppression, there is hope for Argentina, and hope for the people who are oppressed by dictatorship everywhere.

Mr. McCORMACK. I thank the gentleman very much.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may be permitted to sit tomorrow during general debate and special orders.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. CELLER in five instances and to include extraneous matter.

Mr. VAN ZANDT and to include extraneous matter.

Mr. WALTER.

Mrs. FRANCES P. BOLTON.

Mr. CHELF (at the request of Mr. CHRISTOPHER).

Mr. ROGERS of Texas in two instances and to include extraneous matter.

Mr. CUNNINGHAM and include an address.

Mr. RUTHERFORD.

Mr. THOMPSON of New Jersey in two instances and to include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. MERROW (at the request of Mr. ARENDS) for 2 days, June 23 and 24, on account of official business.

SENATE BILLS REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1894. An act to provide for the participation of the United States in the International Finance Corporation; 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 and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 903. An act for the relief of Harold C. Nelson and Dewey L. Young;

H. R. 1069. An act for the relief of Hussein Kamel Moustafa;

H. R. 1202. An act for the relief of Robert H. Merritt;

H. R. 1400. An act for the relief of David R. Click;

H. R. 1409. An act for the relief of W. H. Robinson & Co.;

H. R. 1416. An act for the relief of J. B. Phipps;

H. R. 1640. An act for the relief of Constantine Nitsas;

H. R. 1643. An act for the relief of the estate of James F. Casey;

H. R. 2456. An act for the relief of Mrs. Diana P. Kittrell;

H. R. 2529. An act for the relief of Albert Vincent, Sr.;

H. R. 2760. An act for the relief of Mrs. Sally Rice;

H. R. 3045. An act for the relief of George L. F. Allen;

H. R. 3958. An act for the relief of Louis Elterman;

H. R. 4714. An act for the relief of Theodore J. Harris;

H. R. 5196. An act for the relief of the Overseas Navigation Corp.;

H. R. 5923. An act to authorize certain sums to be appropriated immediately for the completion of the construction of the Inter-American Highway; and

H. J. Res. 232. Joint resolution authorizing the erection of a memorial gift from the Government of Venezuela.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On June 21, 1955:

H. R. 1062. An act for the relief of Luigi Cianci;

H. R. 1081. An act for the relief of Anna Tokatlian Gulezian;

H. R. 1086. An act for the relief of Mayer Rothbaum;

H. R. 1108. An act for the relief of Rose Mazur; and

H. R. 1165. An act for the relief of Maria Theresia Reinhardt and her child, Maria Anastasia Reinhardt.

On June 22, 1955:

H. R. 103. An act to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies;

H. R. 1664. An act for the relief of Charles Chan;

H. R. 2126. An act to amend the act of July 3, 1952, relating to research in the development and utilization of saline waters; and

H. R. 4650. An act to amend the Canal Zone Code by the addition of provisions authorizing regulation of the sale and use of fireworks in the Canal Zone.

ADJOURNMENT

Mr. YATES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.),

under its previous order, the House adjourned until tomorrow, Thursday, June 23, 1955, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

924. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to increase the peacetime limitation on the number of lieutenant generals in the Marine Corps"; to the Committee on Armed Services.

925. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Agricultural Conservation Program Service, Department of Agriculture, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C.); to the Committee on Government Operations.

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. McMILLAN: Committee on the District of Columbia: S. 391. An act to provide for the bonding of certain officers and employees of the government of the District of Columbia, for the payment of the premiums on such bonds by the District of Columbia, and for other purposes; without amendment (Rept. No. 876). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 1614. A bill to amend the veterans regulations to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb; without amendment (Rept. No. 877). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 1617. A bill to amend section 622 of the National Service Life Insurance Act of 1940; without amendment (Rept. No. 878). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 1619. A bill to amend certain provisions of the Servicemen's Indemnity Act of 1951; with amendment (Rept. No. 879). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 1821. A bill to provide that checks for benefits provided by laws administered by the Administrator of Veterans' Affairs may be forwarded to the addressee in certain cases; without amendment (Rept. No. 880). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 4006. A bill to amend the Veterans' Readjustment Assistance Act of 1952 to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training; without amendment (Rept. No. 881). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 4225. A bill authorizing the Administrator of Veterans' Affairs, to convey certain property of the United States to the city of North Little Rock, Ark.; with amendment (Rept. No. 882). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 4727. A bill to permit the issuance of a flag to a friend or associate of the deceased veteran where it is not claimed by the next of kin; with amendment (Rept. No. 883). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 4946. A bill to amend title IV of the Veterans' Readjustment Assistance Act; with amendment (Rept. No. 884). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 5792. A bill to amend the Veterans' Readjustment Assistance Act of 1952, to extend the time for filing claims for mustering-out payments; without amendment (Rept. No. 885). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 5852. A bill to extend the period of authorization of appropriations for the hospital center and facilities in the District of Columbia; without amendment (Rept. No. 886). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 5892. A bill to authorize officers and members of the Metropolitan Police force and of the Fire Department of the District of Columbia voluntarily to perform certain services on their time off from regularly scheduled tours of duty and to receive compensation therefor, and for other purposes; with amendment (Rept No. 887). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 5893. A bill to amend paragraph I (a), part I, of Veterans Regulation No. 1 (a), as amended, to make its provisions applicable to active service on and after June 27, 1950, and prior to February 1, 1955, and for other purposes; without amendment (Rept. No. 888). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 6259. A bill to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board, and for other purposes," approved June 4, 1948; without amendment (Rept. No. 889). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 6419. A bill to redefine the terms "stepchild" and "stepparent" for the purposes of the Servicemen's Indemnity Act of 1951, as amended; with amendment (Rept. No. 890). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 6574. A bill to amend section 2 of title IV of the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937 (50 Stat. 680), as amended; without amendment (Rept. No. 891). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 6585. A bill to amend the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, and for other purposes; with amendment (Rept. No. 892). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 6727. A bill to authorize the Administrator of Veterans' Affairs to convey certain land to the city of Milwaukee, Wis.; with amendment (Rept. No. 893). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 6796. A bill to provide for the conveyance to the city of Clarksburg, W. Va., of certain property which was donated for use in connection with a veterans' hospital, and which is not being so used; without amendment (Rept. No. 894). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 6832. A bill to provide for payment of a reasonable attorney's fee by the insured in a suit brought by him or on his behalf during his lifetime for waiver of premiums on account of total disability; without amendment (Rept. No. 895). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 5853. A bill to amend the act entitled "An act to regulate the practice of veterinary medicine in the District of Columbia," approved February 1, 1907; without amendment (Rept. No. 896). Referred to the House Calendar.

Mr. RICHARDS: Committee on Foreign Affairs. House Concurrent Resolution 149. Concurrent resolution expressing the sense of the Congress that the United States in its international relations should maintain its traditional policy in opposition to colonialism and Communist imperialism; without amendment (Rept. No. 897). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 283. Resolution for consideration of H. R. 6795, a bill to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes; without amendment (Rept. No. 898). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. Senate Joint Resolution 67. Joint resolution to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes; with amendment (Rept. No. 899). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS: Committee of conference. H. R. 6499. A bill making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1956, and for other purposes. (Rept. No. 900). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 6956. A bill to permit a resident of Alaska employed by the Federal Government in Alaska to accumulate a maximum of 45 days a year annual leave; to the Committee on Post Office and Civil Service.

H. R. 6957. A bill to amend an act entitled "An act to provide for the refunding of the bonds of municipal corporations and public-utility districts in the Territory of Alaska, to validate bonds which have heretofore been issued by a municipal corporation or any public-utility district in the Territory of Alaska, and for other purposes" (54 Stat. 14), approved January 17, 1940; to the Committee on Interior and Insular Affairs.

By Mr. FLOOD:

H. R. 6958. A bill to provide for procurement of property by the Federal Government from firms a large percentage of whose employees are disabled veterans; to the Committee on Government Operations.

By Mr. JOHNSON of Wisconsin:

H. R. 6959. A bill to provide for the improvement of Eau Galle River, Wis., for flood control; to the Committee on Public Works.

By Mrs. KEE:

H. R. 6960. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

By Mr. LANDRUM:

H. R. 6961. A bill to designate the lake created by Buford Dam in the State of Georgia as "Lake Sidney Lanier"; to the Committee on Public Works.

By Mr. MERROW:

H. R. 6962. A bill to permit an individual who retired before September 1954 under the Federal old-age and survivors insurance program to have his benefit amount recomputed, without acquiring any additional coverage, to take advantage of the "drop-out" provisions in title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. MILLER of Nebraska:

H. R. 6963. A bill to provide for the establishment of the Booker T. Washington National Monument; to the Committee on Interior and Insular Affairs.

By Mr. POAGE:

H. R. 6964. A bill to amend section 344 of the Agricultural Adjustment Act of 1938, as amended, with respect to State reserves of cotton allotments; to the Committee on Agriculture.

By Mr. SIMPSON of Pennsylvania:

H. R. 6965. A bill to amend section 1016 of the Internal Revenue Code of 1954 with respect to the adjustment of the basis of property for carrying charges on unimproved and unproductive real property; to the Committee on Ways and Means.

H. R. 6966. A bill to amend section 115 of the Internal Revenue Code of 1939 in respect of distributions in kind; to the Committee on Ways and Means.

By Mr. WESTLAND:

H. R. 6967. A bill to provide for the creation of an 11th judicial circuit to be comprised of Alaska, Idaho, Montana, Oregon, and Washington, and for the circuit judges constituting the 9th and 11th circuits; to the Committee on the Judiciary.

By Mr. BEAMER:

H. R. 6968. A bill to amend the Communications Act of 1934 with respect to the application of that act to persons connected with any medium primarily engaged in the gathering and dissemination of information; to the Committee on Interstate and Foreign Commerce.

By Mrs. FRANCES P. BOLTON:

H. R. 6969. A bill to amend the Immigration and Nationality Act to permit children adopted by United States citizens to be naturalized in certain cases without satisfying the residence and physical presence requirements; to the Committee on the Judiciary.

By Mr. BOSCH:

H. R. 6970. 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.

H. R. 6971. A bill to authorize the Attorney General to dispose of the remaining assets seized under the Trading With the Enemy Act prior to December 18, 1941; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNSIDE:

H. R. 6972. A bill to amend paragraph 1513 of the Tariff Act of 1930 with respect to toy marbles; to the Committee on Ways and Means.

H. R. 6973. A bill to protect the public health by providing for grants to assist States in assuring that no child is deprived of an opportunity for immunization against poliomyelitis because of inability to pay the costs of vaccination, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. R. 6974. A bill to amend title 28, United States Code, and the act of May 29, 1930, to provide for the payment of annuities to widows and dependent children of judges; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H. R. 6975. A bill to amend the Servicemen's Readjustment Act of 1944, so as to extend the authority of the Administrator of Veterans' Affairs to restore entitlement used to acquire homes subsequently taken by condemnation, destroyed by natural hazard, or otherwise disposed of for compelling reasons without fault on the part of the veteran; to the Committee on Veterans' Affairs.

H. R. 6976. A bill relating to the affairs of the Osage Tribe of Indians in Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. HARRIS:

H. R. 6977. A bill to amend the Communications Act of 1934 with respect to the application of that act to persons connected with any medium primarily engaged in the gathering and dissemination of information; to the Committee on Interstate and Foreign Commerce.

By Mr. HILLINGS:

H. R. 6978. A bill to amend the Internal Revenue Code of 1954 to provide a partial tax credit for certain payments made to a public or private educational institution of higher education; to the Committee on Ways and Means.

By Mr. HOLTZMAN:

H. R. 6979. A bill to amend the Social Security Act to provide that, for the purpose of old-age and survivors insurance benefits, retirement age shall be 60 years; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. R. 6980. A bill providing for the conveyance of the Old Colony project to the Boston Housing Authority; to the Committee on Banking and Currency.

H. R. 6981. A bill to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes; to the Committee on House Administration.

By Mr. METCALF:

H. J. Res. 353. Joint resolution to authorize the Secretary of the Interior to execute a certain contract with the Toston Irrigation District, Montana; to the Committee on Interior and Insular Affairs.

By Mr. UTT:

H. J. Res. 354. Joint resolution providing for the revision of the Status of Forces Agreement and certain other treaties and international agreements, or the withdrawal of the United States from such treaties and agreements, so that foreign countries will not have criminal jurisdiction over American Armed Forces personnel stationed within their boundaries; to the Committee on Foreign Affairs.

By Mr. SCOTT:

H. J. Res. 355. Joint resolution to establish a Commission on Government Security; to the Committee on the Judiciary.

By Mr. FULTON:

H. J. Res. 356. Joint resolution authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction in the city of Washington, D. C., of an appropriate permanent memorial to the memory of the great Italian navigator and discoverer of America, Christopher Columbus; to the Committee on House Administration.

By Mr. LANE:

H. Res. 284. Resolution authorizing and directing the study and investigation of the national boxing sport by the House Committee on the Judiciary; to the Committee on Rules.

By Mr. OSTERTAG:

H. Res. 285. Resolution creating a select committee to conduct an investigation and study of international championship boxing and wrestling; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 6982. A bill for the relief of the F. and M. Schaefer Brewing Co.; to the Committee on the Judiciary.

By Mr. BATES (by request):

H. R. 6983. A bill for the relief of Gerald Seckl; to the Committee on the Judiciary.

By Mrs. FARRINGTON:

H. R. 6984. A bill for the relief of Rosalia Agmata; to the Committee on the Judiciary.

By Mr. FLOOD:

H. R. 6985. A bill for the relief of Mrs. Hildegard Savner; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6986. A bill for the relief of Jose M. Fernandez; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 6987. A bill for the relief of the State House, Inc.; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 6988. A bill for the relief of Lucy Manus Daley; to the Committee on the Judiciary.

By Mr. SISK:

H. R. 6989. A bill for the relief of Mrs. Gertrud Helene Erika Tiegs Krueger; to the Committee on the Judiciary.

By Mr. WESTLAND:

H. R. 6990. A bill to provide for the conveyance of certain lands by the United States to the Board of National Missions of the Presbyterian Church in the United States of America; to the Committee on Interior and Insular Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

327. By Mr. CANFIELD: Resolution of the New Jersey State Bar Association urging the Government of the United States to consider and to propose suitable amendments to the United Nations Charter providing for compulsory adjudication of all disputes; to the Committee on Foreign Affairs.

328. Also, resolution of the New Jersey State Bar Association that House Joint Resolution 200 and House Joint Resolution 201 introduced at the 1st session of the 84th Congress are not in the public interest and should not be adopted; to the Committee on the Judiciary.

329. By Mr. SHORT: Petition of Mrs. Utah Strong and other citizens of Ozark County, Mo., requesting that the United States Senate and the House of Representatives repeal the recently enacted law raising the pay of Senators and Representatives; to the Committee on the Judiciary.

330. By Mr. SMITH of Wisconsin: Resolution adopted at a mass meeting of Americans of Baltic descent of the city of Racine, Wis., held under the auspices of the Racine branch of the Lithuanian American Council, on June 18, 1955, to commemorate the 15th anniversary of Baltic States' enslavement by Communist Russia, and praying some day these small Baltic nations will be free from the domination of Communist Russia; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Address by Hon. Clinton P. Anderson, of New Mexico, Before Interstate Oil Compact Commission

EXTENSION OF REMARKS

OF

HON. EARLE C. CLEMENTS

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, June 22, 1955

Mr. CLEMENTS. Mr. President, on June 17, the distinguished chairman of the Joint Committee on Atomic Energy, the junior Senator from New Mexico [Mr. ANDERSON], delivered a very interesting and enlightening address before the Interstate Oil Compact Commission, at Denver, Colo. I ask unanimous consent that the address be printed in the CONGRESSIONAL RECORD.

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

Governor Stratton, members of the Interstate Oil Compact Commission, ladies and gentlemen, this meeting here today affords me an opportunity to discuss with those who have responsibility for the conservation of the oil and gas resources of the United States what effect if any there will be upon your programs and policies if the atom becomes a fuel.

This Nation hears enough—sometimes, I think, too much—about the atom as a weapon. It is only 10 years since Alamogordo, 10 years since men of science lay silent behind bunkers in a cold New Mexico dawn and wondered if the monstrous thing would go off. I have talked with men who were there and know the tenseness of the moment. Then came the brilliant flash, a light that could be seen hundreds of miles, and a roar that rumbled and thundered against the mountain peaks of my home State. And then silence—very sober silence—again.

It was like the coming and going of our lives: "A little noise between two silences."

From that day on, men have talked of peace, but have experienced very little of it. Rather we have talked of our capability for war—of the 20,000-ton TNT equivalent of the bomb at Hiroshima, of improved yields from smaller devices, of a superbomb that might someday come, of its coming, of the measurement of its yield in megatons, and finally of how big the newest bomb might one day be built, so big that civilization itself could be its only target.

For nearly a month the Joint Committee on Atomic Energy has been holding hearings on the military application of the atom. Witnesses by the score have paraded their statistics before us: so many planes able to carry this or that bomb, so many storage sites, so many airfields; then the targets, the count of the possible defending force, the capabilities of his planes and bombs, and finally a war game to see how we came out.

Actually it is a relief to come away from it to the clearer air of this mile-high city and to discuss with you what role the atom may play in the future of oil.

Not that I know. But we are trying our best to find out and to pass on to the American people what the future may be.

A French writer has said, "Men prophesy, and the future makes fools of them." Yet the business of prophesy goes briskly along, and my only excuse for any excursion into the future is that I come by your invitation and I can ask you to deal gently with my shortcomings.

One thing about the future is definite: it will not suffer for a lack of statistics. The President's Materials Policy Committee published the so-called Paley Report, five volumes of excellent graphs and figures taking us up to midcentury. Palmer Putnam, under contract with the United States Atomic Energy Committee, published in 1953 a substantial volume entitled, "Energy in the Future." I could—and probably shall—draw heavily upon those works for any computations as to the future of oil in an atomic age, but I do it with assurances that I for one do not take these standard works as infallible, that I use them only to pose questions, the answers to which the joint committee is now earnestly searching.

With that, I take my first plunge: How fast and for how long will population in the United States and over the earth continue to grow?

There is some agreement among the many who have studied the past and projected the future. It comes down to something like this:

In the 700 years following the birth of Christ there was little or no gain in world population.

The first doubling of world population took 950 years after that, bringing us to 1650 A. D.

The second doubling required another 200 years, bringing us to the year 1850.

The third doubling took only 100 years—to 1950.

The next doubling should take even less—85 years—and we should reach it by the year 2035.

But Tuesday of this week, I got the latest returns. In 1940, world population was 2,170,000,000. In 1953, the United Nations placed it at 2,547,000,000—the fastest rate of increase ever experienced. Now the students of world population see the fourth doubling by 2010 and possibly by the year 2000, with a world total of 7 billion people by the year 2050.

Last Friday—a week ago—the population of the United States was 164,799,000.

The Paley Report, on a 1945 census figure, estimated United States' population by 1975 would reach between 180 million and 220 million, and used 193 million as a reasonable compromise. Already the later reports indicate that, barring a disastrous war, the upper limit was more nearly right.

I don't know, but the joint committee has appointed a special panel on the impact of the peaceful uses of atomic energy. It will have to weigh and measure and come up with many answers. Maybe in a year, through the endeavors of the members of the panel, I can give you a better answer, but the figure of 220 million people in the United States of America by 1975 seems reasonable to me today.

What would such a population worldwide and in this country do to fuel requirements?

Here we go again. In current magazines there is a full page advertisement by a New York bank which is headed, "How many barrels, how many gallons * * * in 1975?" The first paragraph of that advertisement reads, "The country's great thirst for petroleum products should grow from 2,375 million barrels in 1950 to 5,000 million barrels in 1975, an increase of 110 percent * * * according to an authoritative projection." The projection was taken from the Paley Report.

That's one man not afraid to prophesy. Now we will take another, Mr. Putnam, in Energy for the Future. He adopts a unit of measurement—10 to the 18th power in British Thermal Units—equivalent to 38 billion tons of bituminous coal or 180 billion barrels of oil—and measures past burn-up of energy in order to estimate future needs. He finds:

That from the beginning of time until the year 1850, about six units were used by the entire world.

In the next century—1850 to 1950—four units were used.

In this year of 1955, we will use about one-fifth of a unit.

From that, he predicts that by the year 2000, the world will be using a full unit a year, five times as much as we are using now. To get from this year 1955 to the year 2000 the world will need total energy resources equivalent to 2,000 billion barrels of oil.

Now let me hasten to say this: I know that all the crude oil we will ever recover from the earth is already laid down. It has not all been discovered, but it is in place and no more will be made in our generation or in the lives of our children or our children's children.

Further, I believe that the proved world reserve of oil today is about 115 billion barrels of oil. I have seen estimates that there may be 500 billion barrels of oil in undiscovered oil reserves.

In addition, there may be some additional undiscovered oil reserves in the beds of the oceans that encircle the earth, but recovery from these would be economically unsound if scientifically feasible.

Therefore, I assume that some fuel other than oil and more transportable than coal will be needed by the end of this century, if not long before.

Whether the calculations of the Paley report or Mr. Putnam's study are right or wrong is not vital. Our panel will study the problem anew and may get other and more persuasive answers. But the record shows that the use of petroleum increased 2½ times between 1925 and 1950. In this period use of waterpower increased 4 times and gas 5 times. Coal remained static.

Those figures suggest the speed with which the oil industry has expanded. Waterpower has grown also, but I am certain that we all understand that if there is a ceiling on the final recovery of crude oil, there is likewise a ceiling on waterpower. In fact, within the United States the best dam sites have already either been used or are engineered for early construction, making the end of waterpower expansion more nearly in sight.

The rapid expansion in the production and use of petroleum in America since the turn of the century has paralleled and been tied to the rise of the automobile industry.

Essentially, these are but accompanying features of the same picture, since with all the varied uses of petroleum, its use as a motor fuel has always been the dominant use and is most likely to continue in that position. The whole petroleum industry is so geared to the improved and expanded production of gasoline for automobiles, trucks, and buses that it is the center around which most of the technological developments have gravitated. The chief objective is still to secure from crude petroleum the maximum yield in motor fuels, especially in gasoline.

Today there are about 58 million motor-vehicle registrations in the United States. These cars and trucks consume 52 billion gallons of motor fuel each year. We are not able to project how rapidly motor registrations will grow, but the Bureau of Public Roads has estimated that by the year 1965 there will be 80 million motor-vehicle registrations. While no one attempts to estimate exactly how many cars we may have by 1985, the Bureau has assumed that even if the rate of growth does not keep pace with the record of the past, even if the 80-million registration figure of 1965 is taken as the top

limit beyond which the number of cars in America will never go, then the Bureau still estimates that by 1985 we will be using 100 billion gallons of gasoline per year for motor-vehicle fuel—about double what we are using now.

That doubling in the requirement of motor fuel oil tells a story to the oil industry. Examination of the principal uses of petroleum from 1940 to 1954 shows that the percent of refined products coming from a barrel of crude oil has averaged about 44 percent. Early, it was as low as 19 percent. The fact that 43 or 44 percent of every barrel of crude oil, both domestic and foreign, that is processed in the United States goes into motor fuel indicates that whenever the motor fuel requirement of this country is doubled, then the supply of crude oil becoming available from domestic or foreign sources will need to be very substantially increased. That remains true even if by better cracking processes more of it is used in the shape of motor fuel than is now the case.

We should use the products of our petroleum reserves for their highest purpose. By that, I mean the purpose which they fill, in their most specialized and refined form, better than any other product. For example, during World War II, the highest form of commercial petroleum was commonly thought to be 100-octane aviation gasoline. This gave the Allies the edge over the Germans in air-to-air combat. This made petroleum as 100-octane gasoline more valuable than lower gasoline grades plus other by-products. There is a continuing need for high-octane aviation fuel today. In fact, automobiles today are using gasoline once thought suitable only for aircraft. Therefore, I say to you who are watching and attempting to conserve the oil resources of this country that it need come as no shock that there is a possibility that uranium may move in at some future date and take away the amount of petroleum used for heating homes and factories, may finally take away the market for bunker oil in the propulsion of merchant ships and submarines and finally may deprive the oil producers of this country of a market for their product in the shape of fuel for locomotives. But I am convinced from the figures at hand that as long as the automobile and the small truck remain customers of the oil industry, that industry will be as busy as it can be taking care of those demands.

I have been talking about needs for oil products which may grow faster than will the development of nuclear power. Actually, there is a big question if the atom will ever drive a passenger-type automobile. I will deal with huge trucks and transports later, but I am talking now about our private automobiles.

Fuel for them is a market of transcendent importance. We have become a Nation of two-car families and the third car is a necessity for families with several children. Right now the automobile buyer seems to desire bright colors, and even if that desire dies away we will probably continue to trade in our cars every few years. We like the new ones.

That one fact causes me to doubt if nuclear power will ever supplant or even supplement gasoline as a source of power in private cars. The nuclear plant might run forever. You would never be compelled to stop at the corner filling station to fill the gas tank or change the motor oil. Engineers might make a tiny reactor so safe that you could crash into another car and not be splashed with radioactive death from under the hood.

But is that what you really seek—steady driving without a stop for weeks, months, and years? The paint would wear off, the transmission would get loose, but most of all, the style would change. You would want something new. So you might not be willing to pay initially several thousand dollars for the nuclear power plant in your car when the cast iron one, using gasoline, would cost a few hundred.

Assume the engineers could find new ways of shielding you from radioactivity, assume they could cut the weight from 50 tons to 500 pounds, assume all the favorable factors you can. You would still face the probability that cost plus the desire for a new car every other year would work against the nuclear-powered vehicle. That's why for many generations to come, oil will find in America and around the world an expanding market.

Where, then, will oil lose out to atomic power? Our special panel will be looking for a good answer which will be available to you a year from now, but I think the series will go like this: first, electric generating stations; second, submarines and surface ships; third, central heating for apartments and factories; next, huge airplanes; and last, railroad locomotives. You make up your own list, filing in the items I have left out. My sole purpose is to say that the oil industry may lose some customers to a new fuel precisely as coal lost some customers to oil and gas; but the loss will not be fatal, and in one man's opinion, may be offset by the growing market developed by the transition from the 2-car to the 3-car family, by the steady drop in popularity of streetcar transportation, and by the increase in motor vehicle registrations in this country to eighty or a hundred million in the next 20 to 30 years.

Now for a brief look at the markets that oil may lose. There seems to be little doubt that large electric generating stations may be the first. Already five large reactors are ready for construction and another at Shippingport, Pa., is under way. Present processes are costly and the initial investment is high, possibly $250 to $500 per kilowatt of installed capacity for a nuclear reactor. Nobody has built a commercial power reactor, so these figures are only estimates. They were prepared, however, by experts in the field. This cost must be balanced against something in the neighborhood of $165 to $200 per kilowatt of installed steam plant capacity.

But the future is much more promising. It may enable us to eliminate the present steps of turning atomic reaction into steam and then using the steam to turn generators. Then the cost of fuel for power would be virtually zero.

It seems to me that the general direction of basic scientific research today is toward the elimination of this wasteful procedure—toward the direct conversion of atomic reaction to electric power. Electricity, though long used, has remained a relatively little-understood phenomenon. We will have to learn more about the atomic process before this step can be taken, but I am convinced it is on the way.

What effect would this knowledge have upon the world? We can only guess. But the guess is enough to stagger the imagination.

Throughout history engineers have based their design of machines and powerplants upon the premise that energy was expensive. Generators were built to hold costs down.

What if energy suddenly were as abundant and cheap as the air we breathe and just about as readily utilized? I think that is possible, once the direct conversion of atomic reaction to electricity is accomplished.

One of the reasons why I believe it will be accomplished lies in the history of atomic energy itself. Fifty years ago men of scientific background indulged in atomic research. If anyone had questions their formulae scrawled on blackboards and had been told, "I am going to split the atom," he probably would have dismissed the scientist as a daydreamer of questionable intellect.

Albert Einstein indulged in just such daydreaming and drew many a jeer. The effort he invested in such thought has resulted in the atomic age. Much money also was invested after 1900 in basic research in physics and chemistry on the so-called foolish assumption that man some day would release the tremendous energies of the sun which were bound up in a bit of matter also too small to comprehend, much less to measure.

Today we can comprehend the atom and can measure it scientifically and exactly. If you are interested, I will give you the figure, and if you doubt me, you can go home and measure it yourself. An atom is one ten-trillionth of an inch. If you would rather have it in fractions, write down 1 over 10 million millions.

Man himself is about midway in size between the atom and the solar system. He is about 10 billion times the size of an atom and the solar system is about 10 billion times bigger than man.

Man weighs about 30 billion billion billion times as much as the atom. If you want to write that down on the back of an envelope so you can remember it when you get home and tell it to your unsuspecting wife, put down the figure 3 and follow it by 28 ciphers. If she can't read it, she will at least be impressed with the size of the problems you are dealing with in this meeting.

Seriously, our investment today in basic research will result in discoveries as astonishing as those Einstein gave to the world. As our fathers invested in atomic research which came to benefit us today, our current investment will benefit our sons, their sons, and the generations to follow. It is this hope that a cheaper way will be found to generate energy that is leading some of the Nation's largest manufacturers into the atomic energy field.

We now know where to find a staggering amount of energy—inside the atom. The problem is, "How do we use it?"

We are like the men who dreamed of conquering the immense Congo River in Africa. There flows through the heart of that gigantic continent a river so incredibly vast that the energy of its onrushing waters has forever withstood the puny dreams of men who visualized dams spanning its brown waist. Men found an impossible task if they sought to dam it, much less to thrust its boiling, swirling, roaring water through turbines.

Unable to master this tremendous river—the job was just too big—engineers went 50 miles away along a tributary to build a dam. There, insignificant compared with the Congo, was a stream of the size and force that man could handle.

We may hope that the way will be found to provide power by reactors in the conventional way now contemplated. By that I mean the use of radiation to generate large amounts of heat, using the heat to generate steam, and using the steam to turn turbines as in ordinary steam plants.

How soon will these model-T reactors take over the functions of oil-fired plants? I say the transition will be slow. By 1975, in the opinion of men who have studied the subject, not more than one-fourth of our plants will be nuclear. Present plants will be allowed to wear out. By the year 2000 or by 2050, 90 to 100 percent of our power will come from splitting the atom.

One of the factors which will bring this about is the cost of getting fossil fuel to steam plants. It has been necessary in the past to locate power plants close to a low-cost source of energy—falling water, coal measures, or oil or gas fields. Where this could not be done, the fuel had to be transported.

Any product which can cut the cost of transportation probably will be sought to replace fossil fuels. One of the advantages of uranium is that a single pound of the fissionable variety U-235 equals in total energy 2,600,000 pounds of coal or 260,000 gallons of oil. Hence transportation is almost no problem with nuclear fuel. That

is why it threatens the use of oil in electric generating stations.

Now we should turn to the second category: submarines and surface ships. Oil now is used to propel them. Uranium reactors may some day replace the oil burners. Present technology in the use of oil may not match the theoretical performance of a nuclear reactor.

For example, a ship would have to carry 91,000 tons of oil to yield the same energy as a single pound of uranium. The turbines and other components of the propulsion unit might be roughly equivalent in weight to a reactor. But the cargo space used to carry the fuel would be available for payload with a nuclear power plant.

Yet the really startling thing about nuclear reactors is that they permit a submarine such as the *Nautilus* to cruise at top speed indefinitely. The power is many times greater than conventional at the start. Performance and endurance are virtually unlimited.

A comparison, although a poor one, might be this: Imagine yourself owner of a truck which could speed indefinitely under full load in high gear up and down the steepest grades at 80 miles per hour. Would it not add tremendously to the capabilities of the trucking firms? A single truck might do the work of several ordinary types because it could do more work faster.

Because a ship powered by uranium could operate without useful life for as long as 50 years, the high initial cost of uranium as opposed to oil would make the nuclear reactor feasible, and the extra cargo space thus made available also would help pay for the reactor. Thus oil use in submarines and surface ships seems likely to be ended in two or three more decades.

No time should be required to discuss the possibilities of the use of nuclear power for central heating in communities and its role in supplying the needs of office buildings, apartment houses, and factories. Every advantage that would flow from the use of this energy in a submarine or a merchant ship would seem to apply, of course, to its use in the office buildings where it could work through every month of the year producing a steady flow of easily regulated atmosphere not too hot or too cold, not too wet or too dry, and perpetually free from germs and dust particles. There is, however, the possibility that the nuclear-developed electric current from the generating station would be so cheap that a reactor would not be placed in each individual building, but, instead, cheap electricity would operate the devices by which we would heat and cool our homes, our offices, and our workshops. So count as a possible lost market for oil our space-heating systems.

Today both the Atomic Energy Commission and the Department of Defense are speeding up design for an atomic-powered airplane. The use of the atom in a plane raises problems not encountered in the building of a submarine. We on the joint committee have talked these over with Admiral Rickover, the designer of the *Nautilus*—in fact, I did it aboard the *Nautilus* far below the surface of the sea. We have been pressing the Secretary for Air and the Secretary for Defense to ask Congress for more money to speed up this new type of transportation. The future looks good—maybe not for nuclear power in a fighter the size of the Russian MIG or our F-86, but for a huge bomber where the weight of the reactor and its shielding will not be so important and where speed in flight can be sacrificed to size of the flying fortress and to its ability to patrol the skies above the atmosphere, out of reach of fighter planes, and to its power to cruise high in the air for a month at a time.

When such a ship is achieved oil may lose one of its most prized customers; but if the experts are right, that day is still many years away.

After aircraft in the order of transition might come railroad locomotives and possibly even huge trucks and transports. Today the oil consumed by rail locomotives requires only 3 percent of the total oil production. A great deal of this business has been won by the oil industry since the war when railroads made their great conversion from steam to diesel propulsion. While oil, having won so recent a victory from coal, could almost as quickly lose it to uranium, my guess would be that it will not come soon, although the locomotive is a logical place for a uranium reactor. Weight is not a critical factor in the locomotive. In fact, a certain amount of weight is desirable.

Thus we can run through the gamut of possible market losses of the oil industry but the entries are not all on the debit side. There are some credits to be written down—gains that the oil industry may make because of the atom. That is particularly true in the field of radioactive isotopes. Our committee has published pamphlets outlining the contribution of atomic energy to agriculture and to medicine. It could with almost equal propriety present a very interesting booklet showing the contributions now being made to the oil industry. That assistance like some social-security programs that are advocated, reaches from the cradle to the grave—from the very moment that a geologist starts to map and outline a structure to the day when the refined products of the producing oil wells are sent through pipelines to the tanks of their distributors.

Allen Johnson, manager of the AEC at the Idaho Testing Station, spoke before the American Petroleum Institute at Casper, Wyo., last April. You would do far better to get a copy of his speech and read it than to listen to me, but pending the time that you do that I want to quote briefly some of the points which he made.

He told his listeners that the oil industry is today the largest industrial user of atomic energy—energy utilized in the form of radioisotopes.

"The oil industry's use of these unique materials," said he, "dates back to 1939, 6 years before the atomic bomb became a reality. Importance of radioisotopes in the oil industry is underlined by the fact that one company, Tracerlab, announced early this year that it has put into operation at Houston, Tex., what it believes to be the first laboratory specifically designed to supply radioactive materials to the oil industry."

What are some of the benefits the oil industry is enjoying from atomic energy? Let us look at a few.

Sensitive instruments which record natural radioactivity from the ground are now being used to help locate oil deposits because such deposits have less natural radiation than other parts of the earth's crust. After the atom has helped find the oil it shows up in another way to help in the drilling. (I am trying to show that these are real benefits to oil in its race for markets against its benefactor.) As the mud comes out of the drill hole it is checked for radioactivity and when you get close to your hoped-for oil deposit the gamma ray log will tell you where you are. If you missed the productive sands, the log will also tell you that.

Another technique called neutron logging is being used to help reduce uncertainty in bringing in oil wells. As the oil flow starts, sometimes the well has to be acidized—a tricky operation. Now radioactive iodine is being added to the acid to insure detection when the acid arrives at the right level in the well.

Other applications of radioactive materials are to control water flooding of oil fields, test oil well casing cement for leaks, locate precisely the level of oil or gas bed in solid domes and thus control brine recovery, and tag cement to locate its level around a well casing. In the field, the driller can tag his bit with radioactive material so it can be found if it is lost or can quickly be located if it becomes stuck.

Radioactive tracers are being used to test the wells; used also in the pipelines carrying the oil from the fields to the refineries and from the refineries to the points of consumption. Radioactive tracers permit ready location of the go-devil in case it gets stuck as it moves along in old oil lines to keep them clean. Finally radioactive tracers are put in the oil itself at the head of the various columns as they are pumped through the pipelines, thereby permitting ready identification of the interfaces and providing a tremendous reduction of the waste that used to go to the slop tank for reprocessing.

And this isn't all.

Radioactive materials are being used in dozens of ways in the petroleum laboratories and in the refineries themselves. They are even being used to insure uniformity of blending and to check on pipe leakage.

You might want to measure the contribution of atomic energy to the oil industry against any possible competition the atom may offer it. It helps keep down the cost of energy from oil. Remember that oil won many markets from coal because the cost of coal kept going steadily higher until it lost its competitive advantage. The oil industry can safeguard its own future by keeping its costs in line.

What will have become of oil? Perhaps we can find a parallel in history.

How many of you have stopped to think of the role of wood in the energy picture? When our Pilgrim forefathers landed at Plymouth Rock, the eastern third of our Nation was covered by a dense woodland. Farther west, across the Great Plains, almost endless pine forests stretched from horizon to horizon in the immense mountain ranges of the Rockies, the Sierra Nevadas and majestic Northwest.

Wood in those days was so abundant that it was the principal source of energy. When steam engines came along, they were fired with wood. River boats and railroad locomotives carried wood, not coal or not oil.

Then came the time when great areas of the American forests were cleared. The wood was burned—just to get it out of the way. It was so abundant it had almost no value.

What is the case today? Wood no longer is cheap. Virtually no one uses it as a source of energy to generate electricity, propel river boats, or even heat homes. Lumber has become an expensive item in the building of a home. It is so valuable as wood that it is too costly to be burned as fuel.

So I would suggest that oil can take courage from what happened to wood. When many of its present markets are gone; it may be so valuable as a chemical that men will still search it out and find it in the remote corners of the earth.

The members of the Interstate Oil Compact Commission and the men and women of the oil industry as citizens should watch closely the development of peacetime uses of the atom. Representatives of this Government will join with those of other nations in a conference at Geneva next August 8, and spend 2 weeks discussing ways to share our skills and programs with any nation which seeks to help us in our search for peace.

When the establishment by the Joint Committee on Atomic Energy of a panel to study the impact of the peaceful atom was announced, I pointed out that the present highly industrialized nations (and therefore the most advanced and powerful) were those countries which won the 19th century industrial revolution because providence had put them on the top of large fuel deposits. It was costly to transport fuel, more costly than to transport cotton which the mills at Manchester could spin and, therefore, the fuel-owning nations were able to compel the

rest of the world to deal with them on their own terms.

The age of nuclear power will have a different characteristic. It will be often less costly to export nuclear power plants to remote sections of the world than to import the raw materials. Future processing plants will grow around centers in broad lands like Africa where raw materials are abundant rather than on the sites of fuel deposits.

We are not the only industrialized nation which is pressing for nuclear power development. We will not be the only people able to display a reactor at Geneva nor the only one competent to offer one for sale to nations, such as Switzerland, which now stand ready to buy. Russia and England are making great headway. Belgium, Germany, and Italy have ambitious plans. Around the winner of this race, underdeveloped power-hungry nations may group themselves in new satellite orbits far different from present alliances.

The atom comes not to be ministered unto but to minister, to help preserve the well being and prosperity of this Nation. It needs the partnership and cooperation of every facet of our industrial life. My closing hope, therefore, is that our thoughts will rest not on the competition which the atom may seem to present, not on the elimination of one type of fuel in a particular operation, but upon the continued growth of an entire economy to which both the oil and the atom will make continued and outstanding contributions.

More Poisoned Liquor

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. CELLER. Mr. Speaker, symptomatic of conditions prevailing in the country is the disclosure of the death of eight men caused by drinking liquor containing wood alcohol poison. Six men died in Harlem Hospital after drinking a concoction called King Kong. Two persons were charged with homicide for selling the poisoned liquor for 50 cents a pint in Harlem, in New York City. Apparently this area is riddled with "juice joints." Undoubtedly there is more of this type of liquor floating around this Nation, not only in New York City but in many other places. There were two deaths of a similar nature under similar circumstances in New York.

From the reports received throughout the Nation by the Alcohol Tax Unit, we can readily see that the extent of illegal liquor operations is growing to an alarming degree. How often must the Congress, generally, and specifically the Ways and Means Committee in the House, be reeducated to the need for taking remedial steps. It is clear as spring water that the high liquor taxes provide a great incentive for these illegal operations. The seizure of stills indicates that the present illegal capacity is greater than the legal capacity for distillation of spirits. The bootleggers know you can make alcohol out of practically anything that grows and they do not limit or discriminate the type of rotgut they make. It is all poisonous, in one way or another.

The major contributing cause for this widespread evil is the internal revenue tax of $10.50 per proof gallon on legal liquor. And superimposed on this tax is State and municipal taxes. Small wonder, then, that the weight of these taxes supplies the motive for moonshining. We simply roll out the carpet or give an engraved invitation to moonshiners. My bill, H. R. 262 would reduce the present internal revenue tax of $10.50 to $6, where it was before the emergency. The passage of this bill would be a matter of common sense. The Government would not lose revenue. As a matter of fact, it would gain revenue. The loss of revenue from illegal operations would be offset, since the decrease in such taxes would contribute to the diminution of illegal operations. This business of prohibition by excessive taxes must cease.

"Mr. Sam" Serves the 4th and Country Well

EXTENSION OF REMARKS

OF

HON. WALTER ROGERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. ROGERS of Texas. Mr. Speaker, I am highly honored this morning to place in the CONGRESSIONAL RECORD a short but excellent story about a great Texan. This story is the work of a very lovely and able journalist who hails from the wide open spaces of the Panhandle of Texas and who represents the Amarillo News and the Amarillo Globe-Times. Her outstanding journalistic ability is exemplified by the excellent manner in which she has verbally portrayed the life of one of America's all-time greats, none other than you, Mr. Speaker.

The article follows:

"MR. SAM" SERVES THE 4TH AND COUNTRY WELL

(By Louise Evans)

WASHINGTON, D. C.—The Fourth of Texas.

Six counties in the lush, rich blacklands of North Central Texas form the Fourth Congressional District.

It has produced a President, and "Mister Democrat"—Speaker of the House SAM RAYBURN. (Before you've met all of these Texans who are carrying such a major responsibility in Washington today, you'll find others who are tied to the Fourth, or were born within a whoop and a holler of its borders.)

Forty-two years ago a young man who had proved his political abilities by serving as the Speaker of the Texas House stood for election as the Congressman from the Fourth District. He took office on the day in 1913 that Woodrow Wilson became President.

He has served more than one-fourth of the years that the United States House of Representatives has been in existence. Compacted into his services have been two World Wars, a boom that crashed into a paralyzing depression, a cold war that has had at least one costly "police action," if none will concede the Korean incident to be war, and a spiralling inflation that threatened the internal prosperity of the country.

SAM RAYBURN is the second most powerful man in the United States of America, though some, assaying those 435 Representatives of the people who stand behind him, would call him the most powerful. (For instance, there's a bill in the Congress now that would set up a budget office in the Congress to take over the job of the President's Bureau of the Budget. Instead of taking the President's budget, tailored to fit his policy, the congressional budget office would get an estimate of income from taxes and cut spending requests to fit it. In the name of a balanced budget, the plan sounds good—and proponents point out that it would not interfere with the President's constitutional power to ask congressional permission to spend money but would only change the present method of so doing. But such a minor change—apparently—could pile up a massive power in the Congress.)

As Speaker of the House, RAYBURN would become President of the country if the President and Vice President lost their lives. Traditionally, the power of succession moved down through the Cabinet. Now, by congressional action a few years ago, the Speaker's chance to be President has increased immeasurably—in these atomic times.

"He is the man for whom all executive departments must feel the tenderest of emotions—financial," pointed out Life magazine recently.

And he is "Mister Democrat." Of that, make no mistake.

The title is compounded partly of his ranking term in the Congress—the longest in the House and making Senator WALTER GEORGE, ranking Member of the Senate and a half dozen years older than RAYBURN, look like a freshman. It is underlined by the fact that he has held the speakership longer than any person in the House history. Henry Clay's record between 1811 and 1825 was outstripped by RAYBURN back in 1951. He has been either majority or minority leader of the House Democrats for even longer—18 years of continuous service.

Though an expert at "passing laws and placating politicians," thereby adding stature to his size as Speaker, RAYBURN has never budged an inch from the Democratic deadcenter.

When Lee surrendered at Appomattox, General Grant decreed that the Southern soldiers could keep their horses. RAYBURN'S father was there with Lee, and he headed back to the family home in the Tennessee hills to make a corn crop. At Knoxville, the Federals took his horse away. The elder Rayburn hated the Yankees to the day of his death 50 years ago. A man that knows how much a horse means to a corn crop isn't apt to forget that sort of injustice. Neither will his son.

RAYBURN isn't fighting the War Between the States over again, but in 1948, when he is credited with much of President Truman's victory at the polls, he pulled the discouraged party leaders back together with a good fight talk. "We are the party of the common man and the American people know it," he declared. Evidently the American people stood with Mr. Sam that time.

He has been an honest, hard-working legislator. That he has become as cunning as a turkey gobbler in the Canadian River brakes does not belie the essential stanchness of his character. Several thousand Congressmen—and he has seen more than 3,000 come and go—do not so easily accede to leadership that RAYBURN can buy it with anything but the coin of ability.

He is willing to persuade Members of Congress personally to his way of thinking. In fact, he operates best in the cloakrooms and in the offices off the corridor. But when he speaks from the floor, he is heard because his words are to the point. On those occasions, the phrase "RAYBURN is up" runs

through the Capitol, and both Members and gallery listeners gather.

But if he must use every parliamentary device to gain his point, that he can do, too. On August 12, 1941, the selective service bill was up for extension. Shortly before rollcall, the Speaker stepped down from rostrum to point out the blindness of believing that this Nation could release a million men from its 1,400,000 Army. The rollcall brought 203 for, 202 against extension of the act. Before any Member could waver, change his mind, ask for the right to change his vote, the Speaker's gavel fell. A scant 4 months later, on December 7 when Pearl Harbor was struck by the Japanese, the Nation had at least the beginning of a million men more under arms.

RAYBURN could have been the first President from the fourth district if he had agreed to be a vice presidential nominee on the Democratic ticket of 1944. But Mr. Sam had a reelection campaign on his hands down in the fourth, and he wanted to win it. Truman got the nomination, and in a few months the Presidency. It is not unlikely that "Mister Democrat" still thinks he made the right decision. RAYBURN's mighty fond of the House of Representatives.

The Speaker is short—5 feet, 7 inches—and as bald-pated as an apple. There is something of the tangy firmness of a Winesap in his thinking and talk, too. However, there is enough southern gentlemanliness about him that one has a distinct sense of surprise when the sharp-eyed glance from his heavily-hooded eyes pierces outward. And he uses what he calls a principle of "a little applied Christianity" in politics to good advantage.

He headed the Stevenson campaign in Texas in 1952, and seems surprisingly kind toward some of the opposition. Yet one's instincts seem to warn that his memory is long; the deserters from the Democratic fold will not be forgotten.

As for that matter, RAYBURN campaigned for another presidential loser. In 1928 he stumped the State for Al Smith, and that was the last time he has been in Amarillo for any length of time. "Coldest day I ever saw," he remembers. "Wasn't a blade of grass between me and the North Pole."

As he spoke, he was turning over in his hands an unbelievably beautiful piece of silver. It is the gift of the Peruvian Government and embossed with llamas and horns of plenty. He was admiring it in an absent-minded sort of a way.

In 1948 he received the Collier magazine congressional award for distinguished service, plus a check for $10,000 to be used for whatever public purposes he wished. RAYBURN donated the money to start a public library back in Bonham for the home folks of the fourth district.

The fourth district, therefore, is an unbelievably beautiful piece pretty likely to see something of silver.

SAM RAYBURN is willing to assume the welfare problems of the world. He's willing to fight for American leadership as he did Truman's successful attempt to keep Greece and Turkey out of the Russian sphere—the so-called Truman Doctrine. He's willing to speak out, "God help us, God help this world, if we do not accept our responsibility to help countries that do not want to be smothered by communism."

He's willing to keep the House in order, its nose to the grindstone for the back-breaking job of keeping up a national security program, within and without the boundaries.

He's going to keep the Democrat party together, come hell or high water.

But he's a 4th District fellow—and he never forgets that he gets his mandate from the people. Fifty years he's spent in the Texas Legislature and the United States House of Representatives—elected by the 4th District people.

It's men like SAM RAYBURN who have made the dream come true of a Government "of the people, by the people, for the people" by keeping a lengthened ear to the will of those he represents.

Vice President Truman was in RAYBURN's office in the Capitol in the late afternoon of April 12, 1945, when word was brought of the death of President Roosevelt. In the office, too, was Miss Alla Clary, who has been secretary to the Speaker for more than 35 years. Many years before, Miss Alla had been working in Washington and had come by to say goodbye to the Member of Congress from her district (4th, naturally). RAYBURN offered her a job and she has been with him ever since.

Naturally, too, the rest of the staff in the Speaker's office are from the 4th. John W. Holton of Sherman is his administrative assistant. From Sherman, too, are Mrs. Lorraine Kimbrough and Don Bradshaw, H. G. Dulaney is from Ector, Mrs. Bernice Frazier from Leonard and Miss Martha Freeman is from the best spot of all—Bonham.

Much is made of the fact that RAYBURN kept his old office in the last switch of the Speakership with JOE MARTIN of Massachusetts, who has the Republican Speakership staked out as firmly as does RAYBURN on the opposition side of the House.

The two men—MARTIN is 70, RAYBURN 73—are hale and hearty chaps. They may keep up the shuffle to and from the Speaker's chair for some time to come. After all, the complexion of the House can change each 2 years. RAYBURN held the gavel from 1940 to 1947. MARTIN had the Chair in 1947–48, when the Democratic forces stood at their lowest ebb (except, of course, "Mister Democrat" pulled off the coup of 1948). RAYBURN got it back in 1949 relinquished it in 1952 took it back in 1955.

But they intend to keep their own personal offices. No more of that kind of moving.

And "Mister Democrat" is going to keep that Speaker's chair under him as much as possible. Remember he's the man who said "I'd rather be Speaker of the United States House of Representatives than any 10 Senators" and he proved it by rejecting a chance at the Presidency.

To Ease Naturalization Requirements for Children Adopted by United States Citizens Abroad

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mrs. FRANCES P. BOLTON. Mr. Speaker, I am introducing a bill today to amend the Immigration and Nationality Act to permit children adopted by United States citizens to be naturalized in certain cases without satisfying the residence and physical presence requirements. A large number of Americans serving as career employees of the United States Government, International organizations, and American business firms operating overseas are required by the nature of their jobs to remain abroad for a long period of time with only short trips home. Since the services of these people overseas are essential to the United States, it is in our national interest, both in regard to the Government employees and to those of the private firms furthering our foreign trade and commerce, to help them in their efforts to establish a happy family life comparable to that which the American families at home are privileged to lead.

Some of these Americans abroad have adopted alien infants. The present law makes it practically impossible for these Americans to obtain citizenship for their children without resigning their jobs and establishing residence within the United States of America for a considerable time.

The amendment I am proposing would afford such children a means of obtaining citizenship comparable to that under which alien wives may obtain citizenship without the residence requirements within the United States.

The proposed amendment will not change the provisions of the present law which requires that before the American parents of an adopted child can apply for naturalization, the child must be lawfully admitted to the United States and must satisfy all requirements for naturalization. The proposed amendment would only waive the residence requirements for those adopted children whose parents are residing abroad for reasons of their employment.

In an overwhelming majority of cases the American parents want their adopted children to be United States citizens. These children residing abroad as a part of an American family are trained to think and feel as Americans. When the child is lawfully admitted to the United States and is otherwise eligible for naturalization, yet is unable to obtain citizenship because his adoptive father cannot stay in this country for a long period of residence without losing his job, such family undergoes an undue hardship. The purpose of my amendment is to eliminate such hardships.

It is my hope that the Committee on the Judiciary will take favorable action on this matter without delay, and that it will be passed by the House and Senate.

Committee on Un-American Activities

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. WALTER. Mr. Speaker, several weeks ago the Committee on Un-American Activities held hearings in Newark, N. J. The day the committee arrived it was subjected to most disgraceful conduct on the part of demonstrators imported from New York by leaders who refused to answer the question as to whether or not the expenses of the demonstration were borne by the Communist Party on the grounds of self-incrimination. The entire atmosphere surrounding these hearings was very familiar to the committee because of its many experiences with subversives. Insolent lawyers advising the use of the same tactics employed in the Commu-

nist trials in New York were resorted to because some of the lawyers participated in those trials. However, one phase of the hearings disturbs your committee, and that is the failure of the Newark school board to take action against three teachers who are Communists. At the hearing each one of the three refused to answer the question as to whether or not he or she was a Communist on the grounds that to do so might make the witness liable to criminal prosecution. One of the reasons for asking the question was because of information furnished the committee by Dr. Bella Dodd, a former Communist, but now an ardent worker against the conspiracy to overthrow the Government of the United States. Dr. Dodd has been made the target of attacks from every Communist lawyer in the United States and apparently the Newark school board has been bluffed by Richard Green, the attorney for the teachers, into relying on an alleged technicality in order to avoid doing an unpleasant duty. While discharging an American schoolteacher may be unpleasant, it is not half as unpleasant as to be compelled to tolerate lack of cooperation in the fight to preserve our way of life.

United States Trade Exhibits' Value Told

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. THOMPSON of New Jersey. Mr. Speaker, I include here an article from the Los Angeles Examiner of June 15, 1955, together with an article by Mrs. Franklin D. Roosevelt in the Washington Daily News. These important statements on the cultural exchange programs now going forward are included for the information of my colleagues who in committee and on the floor are considering ways to counter the Russian propaganda offensives in this cold war period.

Part of my statement in support of the President's Emergency Fund before the House Appropriations Subcommittee headed by my distinguished colleague the gentleman from New York [Mr. ROONEY] is included also.

Legislation is now before the Congress to make these programs a permanent part of the armament of the United States in this cold war period. Sponsors of this legislation, on which hearings will be held July 5, 6, 7, and 8 by the House Education and Labor Subcommittee, include the gentleman from Montana [Mr. METCALF], the gentleman from Massachusetts [Mr. MACDONALD], the gentleman from California [Mr. ROOSEVELT], the gentleman from Wisconsin [Mr. REUSS], the gentleman from New York [Mr. CELLER], the gentleman from Pennsylvania [Mr. RHODES], the gentleman from New York [Mr. POWELL], and myself.

The matters follow:

[From the Los Angeles Examiner of June 15, 1955]

UNITED STATES TRADE EXHIBITS' VALUE TOLD—COLD WAR'S NEW PHASE TOLD HOUSE BY CONNIFF—HEARST AIDE WARNS OF PERILS IN COMMUNIST SHIFT

(By David Sentner)

WASHINGTON, June 14.—Frank Conniff, editorial assistant to William Randolph Hearst, Jr., today told a House Appropriations Subcommittee that the world conflict with communism had entered a new phase which might be described as the "soft war."

Conniff, representing Hearst, editor in chief of the Hearst newspapers, who is in Europe, warned that the impending competitive coexistence struggle with Red Russia might be more difficult to win than a shooting war.

"Soft words instead of threats are the new Communist weapons," he said, "and we must be prepared to counter these different tactics. Even the terminology of recent years has been outmoded.

CAN BE HARD

"But just as the cold war was a continuation of the hot war by other means, the soft war will be a form of a hard war by means other than actual combat.

"The shooting has stopped for a while but the Communists will intensify their drive for world dominance in every field and on every front."

The subcommittee, headed by Representative JOHN J. ROONEY, Democrat, of New York, was told by the witness that Hearst, after his visit to Moscow where he interviewed the four new top Kremlin leaders, had concluded there should be a more dynamic presentation of the American way of life to the world.

Conniff, who accompanied the publisher to Russia, listed the following Hearst suggestions:

Creation of a competitive coexistence council to plan strategy and tactics in the forthcoming struggle against world communism which might last into the next generation.

Carrying to the youth of the world the story of democracy and dispelling the picture of America as a sheer materialistic power.

Having our athletes and artists abroad act as goodwill ambassadors with more direct availability to students and youth groups, thereby countering the blatant propaganda activities of touring Soviet athletes and artists.

Realization that the current Russian coexistence approach was influenced by domestic difficulties faced in the Soviet Union, including desperate problems of agriculture and transportation.

URGES FUND

Representative FRANK THOMPSON, JR., Democrat, of New Jersey, another witness, urged the subcommittee to approve the requested $5 million appropriation for the Presidential emergency fund being used to support cultural missions and psychological cold warfare.

He pointed out that in the past 5 years, the Soviet bloc exhibited at 122 trade fairs at which the United States was not represented.

However THOMPSON continued, the United States awakened in time to what was happening and last year put in a last-minute entry at Damascus with an official exhibit of the film Cinerama.

HOME EXHIBIT

The picture stole the entire show despite a $500,000 Red Russian exhibition, he said. And when the Communists heard this country was planning a repeat performance at Bangkok, they withdrew entirely.

At the recent Frankfurt fair, THOMPSON testified, American producers displayed over 300 products commonly used in the average American home.

He said:

"The exhibit, entitled 'America at Home,' featured a completely furnished full-scale five-room modern American home with actors impersonating an American family. Brand names that are household words in the United States were displayed.

"These fairs have given us an opportunity to refute Communist sneers at the myth of the American way of life. Communist goods exhibited at the trade fairs have often been of inferior quality but how are other peoples to know that if there are no United States exhibits to make the contrast clear?"

[From the Washington Daily News of June 17, 1955]

WE SHOULD BE FRANK ON EXCHANGE PROGRAM

(By Eleanor Roosevelt)

NEW YORK.—Last week I received a copy of the CONGRESSIONAL RECORD along with a statement by Representative FRANK THOMPSON, Jr., Democrat, of New Jersey, on the appropriation for the division of the exchange of persons in the Department of State.

The House had made a cut of $10 million in the budget request but the Senate restored the full amount of $22 million when it voted on the bill last week. Now it will have to come up again in the House and I think the people should tell their Congressmen how they feel on this subject. They should be frank to say whether they are anxious to see this program carried through in its full amount of $22 million or even increased if possible.

CANCELLATION

Everyone will acknowledge that the way to better understanding is by meeting people from other countries, so it is well to consider what would happen to this program for the exchange of people if $10 million of the estimated appropriations fund were lopped off.

First of all, this change would entirely cancel the proposed expansion of the program in the Middle East, the Far East, southeast Asia, and Africa. New programs planned for Formosa and Korea also would be wiped out. These areas of the world—where we need to understand conditions and people far better than we do and where they need to understand us—would have no exchange at all except perhaps in Egypt, where we might have a small program left.

President Eisenhower has asked Congress for $40 billion for our own and foreign military defense in 1956. If we refuse to put any emphasis on our cultural exchange between people, how can we answer the charge that the Soviets make against us when they say that we rely for too much on military power for defending freedom and for increasing understanding in the world?

HEARST SPEECH

Young William Randolph Hearst, in a speech before the Press Club in February in Washington after his return from Russia, stated that in Russia and the satellite countries sports, ballet, and the theater and literature are all shaped toward aiding communism's long-range scheme of world domination. And he added:

"Preparedness alone will not win for us the battle of coexistence. The Western program of building armed strength should be widened into a more flexible and imaginative strategy for competitive coexistence with the Communists in every field and on every front."

This is a challenge which I think should make our people suggest to their Representatives in the House that an acceptance of the $22 million appropriation voted by the Senate on May 31 would be in the best interest

of our country. It would be in the interest of peace and that is the aim of all the exchange of persons and our main objective at the present time.

STATEMENT OF REPRESENTATIVE FRANK THOMPSON, JR., (DEMOCRAT, NEW JERSEY), BEFORE THE SUBCOMMITTEE ON STATE, JUSTICE, JUDICIARY, AND RELATED AGENCIES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, IN SUPPORT OF THE PRESIDENT'S EMERGENCY FUND, JUNE 14, 1955

Mr. Chairman and members of the subcommittee, with funds supplied by the President's emergency fund, the United States is fighting the cold war on two new fronts. Both are important. And on both the Communists have a head start on us.

The head start, however, need not discourage us. These are both fields in which the United States has no need to worry if we exert ourselves. The only danger is that we may let victory go to the Communists by default.

Let us take a look at the facts. In the 5 years prior to 1955, the Soviet bloc exhibited at 122 trade fairs at which the United States was not represented. Their first shock was at Damascus, last year, where they had a $500,000 exhibition. Awakening in time to what was happening, the United States was a last minute entry, presenting as one of its official exhibits the film Cinerama. The picture was the hit of the fair. It stole the entire show. The Communists protested violently, and when they heard the United States was planning a repeat performance at Bangkok, they withdrew entirely. They couldn't take the competition.

Since that date, the U. S. S. R. has withdrawn from at least five other fairs in which it was announced that the United States would exhibit, the Lyons International Fair and the Milan Sample Fair in April of this year, the Paris International Fair and the Tokyo International Fair in May, and the Canadian International Trade Fair in Toronto this month.

Under the program made possible during the current year by the President's $5 million emergency fund, the United States will have been represented at 15 fairs by July 1, 1955.

These fairs have given us opportunity to refute Communist sneers at the "myth" of the American way of life. The Frankfurt Fair, March 6–10, is a good example. Commenting, a Frankfurt English-language newspaper said: "the exhibition marked the first time that Uncle Sam has actually raised his window shades in Europe in an attempt to dispel myths and give substantial facts about how Americans live."

At Frankfurt, United States producers displayed over 300 products commonly used in the average American home. The exhibit, entitled "America at Home," featured a completely furnished full-scale 5-room modern American home with actors impersonating an American family. Brand names that are household words in the United States were displayed—Dupont, General Electric, Singer Sewing Machine, Congoleum-Nairn, Revere Ware, and a host of others. Over 65 firms exhibited. The products told a significant story of a nation's economy dedicated to production for peace and abundance. Over 70,000 visitors saw that exhibit.

The trade information center, manned by United States industry specialists and Department of Commerce representatives, gave over 275 personal interviews and answered inquiries by the thousands. Inquiries came in so fast that three receptionists were unable to take care of them.

The major responsibility for the exhibits in these fairs rests, of course, upon the exhibitors. The United States Government contribution is only "seed" money. But without that encouragement the participation of American business would be uncertain. And, in this cold war, we cannot afford uncertainties.

No less significant have been the results achieved under the cultural presentation program and for this, too, the President's emergency fund provides the "seed" money. It does not pay all expenses, but it assures American artists going overseas against too heavy losses.

That Americans are uncultured, crass, material-minded barbarians is a favorite Communist propaganda line. On the other hand, they try to present themselves as devoted to the arts, to the better things of life. For years troupes of artists from the U. S. S. R., and more recently from Communist China, have been sent abroad by their Governments to make friends and influence people for communism. That the Russian ballet, admittedly among the best in the world, has its roots in czarist Russia is ignored. The ballet is Communist, they say. It is a potent argument for the Marxian line. Music, art, sports—all are grist for the Communist mills. They exploit their artists and sportsmen as they exploit everything else, and they have been doing it effectively, make no mistake about that.

All of the projects undertaken in this program have been planned with the specific interests in mind of the areas to which the traveling artists and athletes are sent. The projects, handled in this country by the State Department, are publicized overseas by the United States Information Agency. In all cases the events are being used by all Agency posts in the various countries as the nucleus of a public information campaign to create recognition and appreciation of the cultural achievements of the United States.

In my own opinion, trade fairs and cultural activities are areas of the cold war which the United States cannot neglect. And, as I have said, both are fields in which we can have full confidence of success. It is only a question of taking advantage of the opportunities afforded us.

Communist goods exhibited at trade fairs have often been of inferior quality—but how are other peoples to know that if there are no United States exhibits to make the contrast clear? In the absence of first-rate Western participation, the Communists have been winning by default.

In the cultural field it is, again, only a question of giving these other peoples an opportunity to see, listen, and judge. Here, again, we have the goods. The best rebuttal of Communist charges is to produce them. In closing, may I refer once more to Mr. Hearst. In the speech from which I quoted earlier, he spoke words of great import to all of us here today: "One side or the other is going to win the battle of coexistence. It had better be our side. Everyone and everything we love and cherish is at stake."

I urge the committee to support these tremendously important activities and to grant the funds necessary to carry on and expand them during the coming fiscal year.

Arrival of 1,200 Immigrants Welcome, but Program Lags Behind

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. CELLER. Mr. Speaker, today 1,200 persons from Germany and Austria will arrive in New York under provisions of the Refugee Relief Act of 1953. This is good news for the 1,200. It is not good enough for the thousands left behind who, through maladministration of the act and the unnecessary restrictive provisions, may never be given the chance to find a new life and new hope in the United States.

The ceremonies on Tuesday are presumably to dramatize the success of the Refugee Relief Act, yet to me it appears to be like a man who, when climbing a hill, boasts he has scaled Mt. Everest. The refugee program is still far from a success.

I am pleased with the arrival of the 1,200 immigrants. There is no gainsaying the importance of these arrivals to them and to us. Lest we, however, conclude that all is well, let us examine the record.

As of July 1 only 37,642 visas had been granted out of the permitted total of 209,000. That is 17 percent of the authorized total, although two-thirds of the life of the act has gone by. Of these, only 11,567 visas went to refugees. The remainder went to aliens with relatives in the United States. The need for changes in the act is paramount. How much the administration of the act has improved with the arrival of Mr. Gerety remains to be seen. It took 2 years to issue visas up to 17 percent of the authorized total. There is only 1 year left to reach the remaining 83 percent, or five times the number of people issued visas in the 2-year period.

The record is not good. Unless changes are made, I see very little chance that the program can be completed.

The Railroad Retirement Act Is in Need of Immediate Amendment To Remove Inequities and To Increase Benefits

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. VAN ZANDT. Mr. Speaker, there is widespread interest among the railroad population of my congressional district regarding amendments to the Railroad Retirement Act. In this connection, I appeared before the House Committee on Interstate and Foreign Commerce last week and delivered the following remarks:

STATEMENT BY HON. JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, JUNE 17, 1955, IN SUPPORT OF H. R. 4744 AND SIMILAR BILLS DESIGNED TO AMEND THE RAILROAD RETIREMENT ACT

Mr. Chairman, I am grateful to you and the members of this committee for the opportunity to appear before you in support of several amendments to the Railroad Retirement Act, some of which I sponsored in this and previous Congresses.

It is my understanding that this hearing is restricted to H. R. 4744 and similar bills which provide in part for the repeal of the prohibition against the payment of dual benefits to widows under the Social Security and Railroad Retirement Acts.

Another provision specifies that the spouse of a retired railroader would in no instance receive less than the benefits he or she would be entitled to if covered by social security.

In effect this amendment would establish a new maximum of $51.80 a month for the remainder of 1955 and $54.30 beginning with January 1956 in lieu of the present $40 a month maximum spouse benefit. Further increases in the maximum would automatically take place if and when the Social Security Act is amended in the future to provide for higher benefits.

It is estimated that 82,000 wives now receiving maximum spouse benefits of $40 monthly under the Railroad Retirement Act would become eligible for an average increase of about $10.50 a month during the remainder of 1955 and that a further increase averaging between $1.50 and $2 a month would be given them starting January 1956.

It is my further understanding that while this particular hearing is restricted to H. R. 4744 and similar bills, hearings will be held on the general subject of amending the Railroad Retirement Act when the committee disposes of several other important bills being considered.

At that time those of us who have sponsored over 50 amendments to the Railroad Retirement Act will have the opportunity to appear before this committee in support of them.

Mr. Chairman, before discussing the legislation now under consideration I should like to mention briefly the five amendments I introduced which are pending before this committee.

These bills introduced by me at the request of the active and retired railroad population of my congressional district include:

H. R. 859 which provides for a 25-percent across-the-board increase in railroad retirement benefits.

H. R. 856 and H. R. 858 are designed to improve the provisions of the Railroad Retirement Act by permitting retirement at age 60 or after 30 or 35 years of service with the annuity to be computed based on the 5 years of highest earnings.

There is also H. R. 2443 which will remove from the Railroad Retirement Act a discriminating provision which requires a railroad employee before retiring to sever his connections with any other employer outside the railroad industry regardless of how insignificant the job is in which he may be engaged at the time of his retirement.

Finally, H. R. 857 will repeal the prohibition against the payment of dual benefits to widows of deceased railroad employees who are entitled to receive both a pension as a surviving widow, in addition to any benefits she may have earned in her own right as a retired employee of an industry covered by the Social Security Act. The provisions of H. R. 857 are incorporated in H. R. 4744 now being considered by this committee.

As mentioned previously these bills were introduced by me at the request of the active and retired railroaders of my congressional district whom I join in expressing the earnest hope that these measures will receive consideration by this committee at an early date.

As many of you know over a period of years I have been directing my efforts toward repeal of the provision in the 1951 amendments prohibiting the payment of dual benefits to persons entitled to social-security and railroad retirement benefits. When the 1951 amendments were approved I warned the membership of the House that the dual benefits provision was discriminatory and that sooner or later Congress would have to repeal it.

During the 83d Congress my bill H. R. 356 was enacted and is now known as Public Law 398. Under its provisions some 30,000 retired railroaders had their rights to social-security benefits restored.

As stated previously one of the provisions of H. R. 4744 now under consideration restores the rights of widows to receive social-security benefits to which they are entitled in their own right.

At present there are some 5,500 widows and should this provision of H. R. 4744 become a law it is estimated that these widows will receive an average increase in their survivor annuity of about $20 monthly.

Mr. Chairman, I should like to state that while the elimination of the prohibition against the payment of dual benefits to widows is meritorious legislation, if H. R. 4744 becomes a law the job of eliminating the prohibition against dual benefits is not complete. As you know there are still hundreds of spouses under the Railroad Retirement Act who are being denied social-security benefits which they earned in their own right and thus they are being penalized under the 1951 amendments to the Railroad Retirement Act.

You will recall that last year we repealed the prohibition against dual benefits as far as the retired railroader is concerned. H. R. 4744 now under consideration will remove the prohibition against dual benefits to widows. It is my earnest hope that during the next session of Congress we can complete the job by eliminating the prohibition against the payment of dual benefits to spouses who have earned social-security benefits in their own right.

Mr. Chairman, as I said in the beginning I am grateful to this committee for the opportunity of appearing before you and while this present hearing limits consideration of those amendments specified in H. R. 4744, I wish to emphasize that there is immediate and urgent need for an across-the-board increase in railroad retirement benefits, as well as action on my other bill to permit a retired railroader in certain instances, and where the salary is insignificant, to continue an employment relationship outside the railroad industry which began before his retirement.

It is my hope that these two bills as well as my other proposed amendments will receive your consideration when the hearings on amendments to the Railroad Retirement Act are reopened at a later date.

Senate Majority Leader Traveling Fast and Far

EXTENSION OF REMARKS

OF

HON. WALTER ROGERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. ROGERS of Texas. Mr. Speaker, recently a lady of the press came to Washington from Amarillo, Tex., looking for Texans on the national scene. Being a reporter of great note and a feature story writer of the highest caliber, it was only a short time before she came forward with a basketful of Texans in high places in the Nation and enough material to fill many books. Among the top Texans in the world, she rightfully chose our good friend and able Senator, the majority leader of the Senate, Hon. LYNDON B. JOHNSON. It is with great pleasure and honor that I place in the CONGRESSIONAL RECORD this morning this outstanding story of a great American.

The article follows:

SENATE MAJORITY LEADER TRAVELING FAST AND FAR

(By Louise Evans)

WASHINGTON, D. C., June 8.—As John Snider, Amarillo's barbecue king, once remarked, "never has a man come to town so quick."

No truer words could be spoken of LYNDON B. JOHNSON, senior Senator from Texas—at the age of 46.

The phrase fits most aptly his title of majority leader of the Senate. In 1951, he became party whip while serving his first term in that most select club in the world, the United States Senate (even the English House of Lords can summon up more than 96 members—it has 26 spiritual, 224 temporal Lords).

Last winter, LYNDON B. JOHNSON moved into the majority leadership as the Democrats took a plurality of one vote in the Senate.

And he is the first Texan to hold this powerful post.

The man is typical of the young Texans, all in their forties, who are in positions of leadership in Washington. Personable, aggressive, and not afraid of 25-hour days, they hold powerful strategic salients in this town.

The 25-hour day is not a misprint. A slow-moving, slow-talking southerner up on the Hill coined the phrase the other day. "Sure, you'll find the Texans kicking up around the top. They're all willing to work 25 hours a day," he drawled.

A quick look at JOHNSON's life would make even a Texan tired. After a rather slow start, he caught up by taking 7-league steps. Born on a farm near Johnson City, only a couple of districts away from the famous Fourth Congressional District of Texas, he liked the idea of a trip to California better than a college education. At 15, he went off with a bunch of other Texas boys and worked up and down the west coast doing such chores as he could pick up, and eating irregularly. "None of us had ever been off the farm farther than the nearest town," the Senator recalls.

On his return to Texas after 7 months of vagabonding, he still chose to work on the highway. He drove a truck, pushed a wheelbarrow, shoveled gravel. But there was a tradition of education in his family; a great-grandfather had been president of Baylor University for 2 years. Both his father and his grandfather had served in the Texas House of Representatives. One of his ancestors had been a signer of the Texas Declaration of Independence. So eventually his father persuaded him to enter Southwest Texas State Teachers College at San Marcos, where he was graduated in 1930.

He was teaching public speaking and debating in the Sam Houston High School in Houston when the late Richard M. Kleberg chose him for secretary on Kleberg's first trip to Congress in 1931.

You might say that from that day on, JOHNSON was struck with luck (that is, if you disregard the 25-hour days). He served in Texas as national youth administrator, and he campaigned against 10 others for the 10th district vacancy created by the death of Representative James P. Buchanan. President Roosevelt was fishing off Corpus Christi during the campaign and was attracted by the young man's platform. JOHNSON rode into Washington on the Presidential train to serve his first term.

Another as canny in political craft as Roosevelt watched over the young Representative. SAM RAYBURN, even then one of the most powerful members of the southern delegation, and soon to be the Democratic leader in the House, made practically a protege of JOHNSON. The young Congressman landed on the House Naval Affairs Committee, and from that vantage worked closely with President Roosevelt.

When Senator Morris Sheppard died in 1941, some say the President encouraged JOHNSON to run for the vacant post. Probably that streak of Baptist preacher, squirrel-gun-toting ancestry of Texas leaders pleaded, too. JOHNSON chose "Pappy" O'Daniel, and got licked in the primaries, though by a close margin of 1,311 votes. Since he was only barely past the needed 30 years for Senate seating, it wasn't too big a setback in his life. It had been a special election; he still had his seat in the House, and he came to Washington to serve three terms in the House.

Six more years in the rough-and-tumble House sharpened the would-be Senator. Recently Newspaper Columnist Stewart Alsop wrote, "Majority Leader LYNDON JOHNSON is no doubt the most thoroughly professional congressional leader of our times. But that's just the trouble. He slips legislation through so quickly and quietly that nobody notices, or even cares very much."

Everyone in Texas knows about the famous 87 votes that gave JOHNSON his seat in 1948, and by 1952 he didn't need to campaign. In 6 short years he had sold the Senate, the Nation, and Texas on his ability.

Holding the position of the majority leader of the Senate makes him the third most powerful man in the country. Some like to point out that the Vice President ought to get in the running somewhere with Eisenhower, RAYBURN, and JOHNSON. But a musical comedy of the thirties—Of Thee I Sing (which Billy Rose brought to the old Municipal Auditorium when the tin roof rattled)—clearly defined the duties of the Vice President of the United States of America. It is to the credit of another young man, RICHARD NIXON, of California, that the post is growing in stature, but presiding over the Chambers in which LYNDON JOHNSON is operating as majority leader is no position of power.

Freshman Senator JOHNSON took another 7-league step a year after he gained his objective. With proper humility he kept quiet that first year, as freshmen are supposed to do. But after the Korean conflict started he demanded creation of a Senate committee to examine a fumbling defense effort. In a few weeks of what is now known as the Johnson whirlwind, cloakroom-and-floor attack, the Senate found itself with an Armed Services Subcommittee authorized to investigate the whole preparedness program. Freshman JOHNSON was chairman.

But who could resist the words of JOHNSON on the Senate floor, December 12, 1950, when the painful retreat was underway in Korea: "This is not World War II all over again. This is a struggle without precedence in human experience. The military concepts and the domestic policies which won World War II are not applicable to this struggle in which we are now engaged. * * * The people of America who sent us here are patient, but they are not docile. * * * The American people have not lost faith in themselves or in their country or in the democratic institutions, but the American people are tired of and they are fed up with double-talk in Washington. * * * A great American patriot once fanned the fires of democracy into such a flame as to give us America. In debate, Patrick Henry cried in tones heard throughout the years, 'Why stand we here idle?' Can I say more today?"

The new subcommittee learned something of 25-hour days. The Government's rubber, nickel, and tin stockpiling programs got a combing; high officials found themselves called on the carpet to explain why the waste in materials, construction, and manpower. By 1951, with the help of the subcommittee, JOHNSON rammed through the universal military training bill, the first ever passed by either branch of Congress.

JOHNSON personally learned something of Sherman's "war is hell." He was the first Member of the House to enter World War II, leaving on the day after Pearl Harbor to assume a lieutenant-commandership in the Navy, in whose Reserve he had served for several years. General MacArthur personally decorated him with the Silver Star after bombing missions in the South Pacific. (There's no note of this honor in his Congressional Directory biography.)

He is still bucking for some kind of a more permanent peace. At a dinner last month for David Sarnoff of radio and TV fame, he exploited the idea of forming a general staff for a cold war that would launch the greatest political offensive in history against the Russian propagandists.

"Somewhere along the line we have forgotten a fundamental. It is that power ultimately rests with the people. Unless we win them to our side, we are lost. * * * Even when cold war turns hot—on a local scale—we find the terrifying weapons of modern science almost useless. Atomic bombs did not shield the free of the Republic of Korea. Hydrogen warfare did not save Northern Vietnam—and may not save the balance in Southeast Asia. And all the powers of nuclear physics will not recover for freedom the vast territory of China.

"This staff (for cold war) could direct and coordinate the weapons of cold war—diplomatic, economic, propaganda. * * * The prize is the goodwill of the vast multitude of people not only in Asia but throughout the world who are still uncommitted. They are the great jury who will decide the fate of this planet."

A short time later, President Eisenhower, addressing the National Association of Radio and Television Broadcasters, underlined the same approach. "Everybody has a right to think of himself as a man bearing a great responsibility as a crusader to help do this job of education, of ourselves and of others about us."

JOHNSON gets credit for bridging the gap between the northern and southern wings of his party in Congress—and even more credit for keeping the interests of his party in the foreground without giving sabotaging opposition to the Eisenhower program.

He is certainly a young man—the youngest ever to hold the Senate majority leadership—who has come to town fast—so fast that there is talk of his nomination for President in the Democratic convention of 1956; and if not then, in that of 1960.

When JOHNSON first came to Washington, the then foremost Texan of them all—Vice President John Garner—was presiding over the Senate Chamber. Today the famous Christy portrait of Garner hangs on the wall directly opposite JOHNSON's desk in his office just off the Senate Chamber. In the outer office hangs the portrait of another Texan who gave long-time service to the United States Congress, Morris Sheppard. Naturally the Texas flag is there.

The Senator still keeps up 25-hour days—7 p. m. is not too late to see him; neither is 8 a. m. too early. He's there on Saturdays, too, when most of the Hill activity is as dormant as a prairie dog village with a hawk overhead.

Undoubtedly, he occasionally sees his family—Mrs. Johnson, the former Lady Bird Taylor, and his daughters, Lynda Bird, 11, and Lucy Baines, 7. (The Senator notes that traveling is easy: "We all have the same initials and can use the same baggage.")

He was in the Panhandle a year or so ago, so everyone knows he is still 6 feet, 3 inches tall and weighs a trim 200 pounds. He looks a little tired—probably should cut down to 23-hour days.

The Senator has always taken the lead in the battle for water in Texas. The big coastal canal is a special project of his, but he's for catching and saving every drop of water that hits the western side of the State, too.

"I'm ready to do anything to help with the Canadian River Dam as soon as you folks down there make up your mind what you want," he said.

Negotiations by GSA With Aluminum Producers To Alleviate Aluminum Shortage Commended

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. CELLER. Mr. Speaker, I have been informed that the General Services Administration is undertaking to reach an agreement with Aluminum Company of America, Reynolds Metals Co., and Kaiser Aluminum & Chemical Corp., whereby these producers will provide an additional amount of aluminum to independent users.

These negotiations which are now taking place have as their objective making available to the independents sufficient supplies to alleviate a distressing situation in the industry which has threatened many independents with business failure.

I understand that these negotiations with GSA have been entered into by Alcoa, Reynolds, and Kaiser on a voluntary basis. This is not only commendable but a manifestation of enlightened public interest. Especially commendable are the General Services Administration's positive efforts to resolve what has been a most serious situation in the aluminum industry. I hope the current negotiations will be concluded successfully and in a form fair to all segments of the industry.

On June 10, 1955, the Office of Defense Mobilization announced that there would be no Government stockpiling of aluminum during the third quarter of this year. As a result of this decision there will be approximately 400 million additional pounds of aluminum available to the three producers, Alcoa, Reynolds, and Kaiser. Pursuant to the Government's guaranteed market contracts with these producers, by which new facilities for producing aluminum were established, two-thirds of this amount must be sold to independent nonintegrated users of aluminum.

GSA and the aluminum producers are now examining methods to assure that independents will be appreciably benefited by the ODM decision not to stockpile during the third quarter. Previously Reynolds and Kaiser have taken the position that their obligation is to sell to the independents as a maximum, a quantity of aluminum not to exceed two-thirds of the output of the new facilities.

I have maintained the aluminum companies should sell to the independents these amounts in addition to what they would normally have sold to the independents. Otherwise, it is questionable whether the independents would be benefited by a stockpile cutback since their normal or historical pattern of sales might exceed the amounts made available by release from the ODM stockpile. In the past, only one producer, Alcoa, agreed to sell to the independents the two-thirds accruing to them by release from the stockpile in addition to the

amounts sold to them on a historical basis.

I have been much concerned with this problem because of the serious shortages in aluminum facing the independents. Therefore, it was most disappointing to hear at the time of the June 10 announcement by ODM that no action was being taken by that agency to resolve or alleviate the problem. On two different occasions I requested the Director of ODM to take action to protect the independents and to insure that they receive cutback amounts as additions to the general pattern of supplies they had been receiving. From ODM and its Director, Arthur Flemming, we received no action. They made no effort to help.

Instead the General Services Administration is now taking up the slack and is attempting to reach an arrangement with the Alcoa, Reynolds, and Kaiser Cos., whereby an equitable historical sales pattern will be agreed upon as a basis by which the two-thirds contract entitlements of the independents will be computed as additional sales to the independents. These negotiations now taking place have as an objective a reasonable industrywide average which in effect will serve as a protective floor for the independents in future stockpiling cutbacks or releases. If a fair and equitable arrangement can be reached along these lines, then an important consideration in the aluminum expansion program can be effectuated.

Tenth Anniversary of the United Nations

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. THOMPSON of New Jersey. Mr. Speaker, this week in San Francisco the nations of the world are meeting to pay tribute to an organization which has the primary responsibility for maintaining world peace and has done an excellent job of fulfilling this responsibility.

News reporting today tends to emphasize the difficulties the United Nations is having and has had. This, I suppose, is inevitable, because a record of steady success is not susceptible to dramatic news coverage. However, as we celebrate the 10th anniversary of the founding of the international body, it, perhaps, would not be inappropriate to review the successes which this organization has achieved.

Perhaps the most important success appearing in the record to date lies in the steps which the United Nations took to bar aggression in Korea. When war broke out in Korea the world was faced with a clear-cut attempt to gain, through force, what could not be gained by peaceful persuasion. Had the United Nations failed to act in this instance probably it would have suffered the same fate as befell its predecessor, the League of Nations, when that body refused to act against Mussolini's invasion of Ethiopia, Hitler's invasion of the Saar, and Japan's invasion of the Chinese mainland. Instead of following that bad example, the United Nations, following the initiative taken by President Truman and the United States, took prompt action to repel force in the only possible way—with force. Because there was no hesitation, the invasion was thrown back and the aggressors forced to give up their attempt at forcible seizure of land not properly theirs. The struggle was a long and a costly one, but it was both necessary and proper. The action served notice on all possible aggressor nations of the intention of this world body to block attempts at aggression by clear and decisive action. The prestige of the United Nations was greatly enhanced by this move, and the primary object of the organization—peace—was thereby made even more manifest.

Though the action in Korea was the most spectacular of all those engaged in by the United Nations, it is by no means the sole example of how this organization has promoted world peace. After the Jewish State of Israel was established with the consent of the United Nations, it was forced to fight for its very life against the attacks of the Arab nations surrounding it. This fight might well have become a great war but for the good offices of the United Nations in the person of Count Bernadotte. Instead, peace, however tenuous, was established. That peace has been maintained in spite of great provocations, by the United Nations.

In Indonesia, following World War II, a great struggle erupted between native Indonesians and the Dutch. Peace was established under the auspices of the United Nations, and there is now every prospect that this area will become once again one of the most productive regions in the world. Without the aid of the world body, it is not difficult to imagine the continuance of a great and destructive civil war, with all the attendant evils that such a situation inevitably entails.

Such are some of the vital steps the United Nations has taken to preserve world peace. This has not been its only function, however. Equally important to the peoples of the world has been the initiative taken by this organization in the fields of health, education, and welfare. We are all aware that, although poverty and sickness continue to exist in large areas of the world community, under the leadership of the United Nations, important steps have been taken to alleviate the ills of these unfortunates. Of particular consequence, and having great appeal to Americans, is the work undertaken by the United Nations International Children's Emergency Fund. In recent days I have had the very good fortune of seeing a movie starring that great comedian, Danny Kaye, which shows most vividly the significant work being undertaken by this organization. I recommend it both to my colleagues in the House and to all Americans. Once this movie has been seen, I think none of its viewers can fail to be grateful to the men and women who have devoted their lives to such a mission, even as it was most certainly apparent in the film how grateful were the people of other nations who were benefited by its actions.

We have all heard much in recent months about various technical-assistance programs. I hardly think it is necessary, therefore, for me to dwell on the value of such programs. The United Nations has done, and is continuing to do, much good in such fields, and the value of this work has been testified to over and over again by the spokesmen of the nations involved.

All steps taken in the fields of health, education, and welfare by the United Nations are good in and of themselves, but they also help to promote the primary aim of world peace. So long as poverty or sickness exists anywhere it is a potential threat to world peace. So long as men are ignorant they are easy prey of men bent on aggression. Thus, even those bodies within the United Nations not directly concerned with the peace of the world have great and continuing contributions to make to this end.

I think it is apparent from what I have said that we in the United States must be thankful for the existence of the United Nations, and we wish it well on this its 10th birthday.

Contract Between Aluminum Company of America and New York Power Authority

EXTENSION OF REMARKS

OF

HON. HERBERT H. LEHMAN

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, June 22, 1955

Mr. LEHMAN. Mr. President, the State of New York, through its instrumentality, the New York Power Authority, is building a great power works in the international rapids section of the St. Lawrence River. With the consent of the Federal Government, the power authority will build, own and operate these works, which will have an annual output of 6 billion kilowatt-hours. The power authority has been negotiating contracts for the disposal of this power. Some differences of opinion have developed regarding the manner in which this power should be disposed. These differences have centered around a particular contract—a proposed contract with the Aluminum Company of America.

The proposed Alcoa contract, as all other similar contracts, must be approved by the Governor of New York. He now has the Alcoa contract before him, and has recently held public hearings with regard to it.

As one who has fought for many years for the St. Lawrence project, and as one who is deeply committed to the use of public resources for the benefit of all the people, I have disagreed with some aspects of the proposed Alcoa contract. I so advised the New York Power Authority; I have so advised the Governor of New York, having set forth my views at some length. I feel strongly that

every contract for the disposal of public power must be consistent with fundamental public power principles developed in this country over the past 50 years. The decision in the matter of the Alcoa contract involves not only the policy of the State of New York but also has a direct bearing on national public power policy.

Recently, Mr. President, my old and good friend, Judge Samuel Rosenman, who is special counsel for the New York Power Authority, submitted a long statement of views justifying the Alcoa contract, to the editor of the New York Post, a newspaper which has been opposing the Alcoa contract. The New York Post asked me to write a parallel article, setting forth my views on public power policy and on the Alcoa contract.

Because I feel that this issue has a vital significance for the power policy of the entire Nation, I ask that my statement of views, and, to be perfectly fair, the statement also of views of Judge Rosenman, be printed in the RECORD.

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

TWO VIEWS OF THE ALCOA POWER PACT

(By Senator HERBERT LEHMAN)

I shall not enter into detailed controversy with Sam Rosenman, my old friend and associate in many a good fight for the public interest. As special counsel for the New York Power Authority, he has an advocate's job; he is an eminent and effective advocate.

I want to emphasize, however, that the public power principles to which I adhere, and on which my attitude toward the proposed Alcoa contract are based, bear, even today, the clear imprint of Sam Rosenman's contribution.

As an adviser and then counsel to Franklin D. Roosevelt, Judge Rosenman helped to phrase and define the public power principles repeatedly enunciated by Roosevelt during his terms as Governor of New York and in his campaign speeches as a candidate for that office. These views culminated finally in the New York Power Authority Act of 1931.

These public power principles did not, of course, originate with Franklin Roosevelt. An earlier Roosevelt, a Republican Roosevelt—Theodore—as President of the United States, helped to frame these principles at the turn of the century. Another Republican, Charles Evans Hughes, as Governor of New York, helped give them substance. And another Governor of New York, a Democrat, Al Smith, performed historic service in educating the people of New York and of the Nation to the importance of public power, and to the inalienable right of the people to the public development of hydroelectric power.

I sketch this background to put the public power issue in its proper historical perspective. This is not a new issue nor a radical idea spawned by the New Deal. It is a truly conservative idea which grew out of the conservation movement of the late 19th century—to conserve the people's resources and the national heritage, and to reclaim the portions of those resources which had been plundered and seized by predatory private interests.

FIGHT FOR PUBLIC POWER HAS A VERY LONG HISTORY

This cause enlisted my interest as far back as I can remember. It was more than 30 years ago that I became an active advocate of the development of hydroelectric potential of the St. Lawrence, under public auspices, and a strong opponent of the move underway at that time—in the early twenties—to turn the St. Lawrence potential over to private interests.

Yet, the public power fight has a long history—and a proud tradition. I firmly believe that those today opposing various aspects of the Alcoa contract are trying to safeguard the public power principles established in the course of that fight, in the tradition of Theodore Roosevelt, Charles Evans Hughes, Al Smith, and Franklin D. Roosevelt—Judge Rosenman to the contrary.

What are those principles? First and foremost is the principle that the hydroelectric power from the publicly owned waters of the St. Lawrence belongs to the people.

Franklin D. Roosevelt, in his first inaugural address as Governor of New York, put it this way:

"The waterpower of the State should belong to all the people. * * * The title to this power must vest forever in the people of this State. No commission, no, not the legislature itself has any right to give, for any consideration whatever, a single potential kilowatt in virtual perpetuity to any person or corporation whatsoever."

The second principle of public power is that its disposal, under public auspices, should be for the benefit of all the people of the State. Not just a few people, or some of the people, but all of the people.

This resource is not to be disposed of for the primary benefit of private utilities or industrial corporations, regardless of the importance of such utilities or corporations to the area in which they operate. This resource does not belong to any one area, but to all the people of the entire State. And when I say "all the people," I mean not only those now living, but also the generations still unborn.

This principle means that the power must be kept available for the disposal and use of the next generation, as well as the present one.

This is one of the chief differences between a privately owned resource and a publicly owned one: privately owned assets or resources can be freely and permanently sold or given away. A publicly owned resource must not, and cannot, be so disposed, regardless of how good a deal is offered.

A further principle of public power is that the people themselves, through their various public and nonprofit entities such as municipalities and rural electrification cooperatives—must have, if they so desire it, first access to the public power. They must have first call on it, to acquire it, as nearly as possible at cost, from the State—ahead of industries, private utilities, and other private entities organized for profit-making purposes.

Still another public-power principle is that the power should be disposed of to the consumers at the lowest possible rate so as to encourage the widest possible use of labor-saving electricity, in homes and on farms.

These public-power principles were given their most definitive legislative form, in New York State, in the New York Power Authority Act, in 1931. That law states explicitly that the power developed from the St. Lawrence should be primarily "for the benefit of the people of the State as a whole and particularly the domestic and rural consumers to whom the power can economically be made available, and accordingly * * * sale (of power) to and use by industry shall be a secondary purpose."

These principles as enunciated in New York State were further developed and refined in successive pieces of Federal legislation—the TVA Act, the Bonneville Power Act, the Flood Control Act—and many others. They continued to be developed by experience and refined, as well as tested, in actual practice.

WOULD TENNESSEE VALLEY WANT TO GIVE UP TVA?

In the final analysis, it is in the practical testing of these principles that their validity must be, and has been, demonstrated.

Ask the people of the Tennessee Valley whether they are willing to abandon these principles. Ask the people of Oregon and Washington.

The Tennessee Valley, for instance, once an exhausted, rundown and poverty-stricken area, has become one of the great workshops and breadbaskets of America. The people and industries of the Tennessee Valley now pay in Federal taxes many times the amount the same area contributed before TVA.

The Northwest has been transformed from a wilderness into an industrial heartland.

No, the people who have come to know, and to live by these public-power principles, swear by them. They are deeply concerned and frightened by the concerted drive, inspired by the public utility lobby, to undermine and destroy those principles.

The Representatives of these areas in the Congress are fighting and will fight to the last ditch against any attempt to subvert these principles * * * either by a Dixon-Yates contract, or by a Niagara Power giveaway. They realize that the cause of one area is the cause of all areas.

I have described my public power principles, and the attachment which the people who have had experience with these principles feel for them.

But how do these principles work out in practice? How do the people actually benefit from them? What do these principles mean, in terms of the issues confronting us in New York State? How does all this affect the question of the Alcoa contract?

In practice, public power means "yardstick" competition. It means that municipally owned utilities and rural co-ops are assured a chance to fill their needs for power from the State-owned supply—the St. Lawrence project power, in the present case. * * *

These municipally owned utilities and rural electric co-ops, in supplying low-cost power to the residents of the municipalities in the one case, and to the members of the co-op in the other, provide a yardstick by which rates charged by private utilities in neighboring areas can be measured.

"YARDSTICK" WORKS WONDERS WHEREVER IT IS TRIED

Private utilities must necessarily continue to supply the vast bulk of electric power needed by the citizens of New York State. But each private utility must know that unless it provides its customers with good service at the lowest possible rates, the municipality it serves can, if it wishes, set up its own utility system and get low-cost power from the State's hydroelectric system.

The proof of the pudding is in the eating. The simple fact is that this "yardstick" system has worked. It has worked wonders everywhere it has been tried. It has brought down rates on every side and flank of the Tennessee Valley area, throughout the Northwest and the Southwest. Private utilities, fearing public competition, have cut their rates, already approved as "fair" by State public service commissions. And the fact is that in every case, these same private utilities have prospered as a result of cutting rates. New industries have come in. People have vastly increased their consumption of electricity.

In the Northwest and in the Tennessee Valley, the per capita consumption of electricity is twice, three, and four times what it is in New York State. The private utilities have expanded right along with the public-power systems. Everybody has benefited.

In the present instance, in New York State, the St. Lawrence project, with a capacity of 700,000 kilowatts, is expected to produce about 6 billion kilowatt-hours of power an-

nually. This is but a fraction of the present consumption of electric power in New York State.

If the St. Lawrence power is contracted for and disposed of entirely in the immediate vicinity of the project site, the benefit will accrue to the people, industries, utilities and individuals in that area. And it will be a small benefit. The saving to the consumers will not be significant. Some industries will benefit. There will be some trickle-down benefit to the entire State.

But that is not what is meant by a public development "primarily for the benefit of the people and the State as a whole and particularly the domestic and rural consumers." That is not making the maximum possible use of this public power, for the public benefit.

That brings me to the heart of the difference between the viewpoint on public power I espouse, and that held by the chairman of the New York Power Authority, Mr. Robert Moses.

Before going into the difference of viewpoint between Commissioner Moses, speaking, I assume, for the New York Power Authority, and myself, representing, I expect, the "fundamentalist" view of public power policy, I would like to point out the similarities in our viewpoints.

We both subscribe firmly to the principle that hydroelectric resources are an inalienable part of the public heritage, and must be publicly developed. We are united in our opposition to a "giveaway" of these resources to private interests, whether the resources in question be the hydroelectric potential of the St. Lawrence or of the Niagara.

Our difference lies in the concept which Commissioner Moses has evolved for the disposal of public power—a concept I deem to be unduly limited and parochial. The Moses concept would turn the clock back 50 years by reviving the practice of selling the power at the project site.

Commissioner Moses wants the customers to "come and get it."

He is convinced—and justifiably so—that this power is such an excellent "buy" that industries and private utilities would be delighted to build transmission lines to the project site and contract for all the power offered for sale, without putting the power authority to the expense of building a network of transmission lines to the power marketing centers in central New York.

BOB MOSES' CONCEPT FAILS TO PROTECT THE CONSUMER

The Moses concept certainly represents the easiest way to dispose of this power. It makes sense from the point of view of the bondholders who bought the revenue bonds issued by the power authority to finance this project. It represents a method of disposing of the power at the lowest possible expense and with the surest possible return.

But such a procedure would not satisfy the major demands of the public interest. It does not secure from the public resource the maximum public benefit—"for the people of the State as a whole." It would not insure that the benefits would flow "particularly to rural and domestic consumers."

Under the Moses concept, the primary beneficiaries would be select industries in the north country and, I assume, some private utilities * * * and, of course, the bondholders.

This is not only a violation of sound public power principle; it is also, in my judgment, violative of the New York Power Authority Act which specifies that the industrial use of the power shall be secondary.

The disposal of the St. Lawrence project power—and that from the Niagara, too—for the true public use and benefit requires that it be made available first of all to public bodies and rural co-ops for use as a yardstick.

It should not matter whether these public bodies and rural co-ops are in the immediate vicinity of the project site or at some considerable distance—as long as they are within economic transmission distance of the site.

Only if these public bodies and rural co-ops are able to get their share of the public power supply can they function as a yardstick to drive private power rates down throughout the State, with a resultant saving of many millions of dollars annually to the consumers of New York State.

Every city in New York State, including New York City, should have the right to acquire some of this power, if it has a need for some of it, or should develop a need for it in the future.

If this bloc of publicly developed hydroelectric power is disposed of constructively, in full conformity with the principles of public power policy, this public power will not displace a single kilowatt of privately developed power.

On the contrary, the result will be to increase greatly the total need and consumption of power. Private utilities, by lowering their rates, will find the demand greatly increased. They will prosper, along with the people. New industries will be attracted not only to the north country, but throughout the State.

HARRIMAN HAS THE CHANCE TO SAVE THE DAY FOR US

The public development of the hydroelectric potential of the St. Lawrence and the Niagara can usher in a new era of expansion for New York State—not only industrial expansion, but also, and even primarily, the expansion of the welfare and well being of all the people of our State.

This concept is a far cry from the narrow concept envisioned by the Moses plan.

I trust and hope that Governor Harriman will prevail upon the power authority to reject this limited concept and return to the broader, larger concept for the use of this power envisioned by Al Smith and Franklin Roosevelt.

Of course, this would be a much more difficult and complex undertaking than that envisioned by the Moses plan. It would require imagination, courage, and statesmanship. But it constitutes a real opportunity and a great challenge.

I have not had an opportunity to study all the terms of the Alcoa contract. I do know, however, that to enter into a 50-year contract for the disposal of one-fourth of the total output of the St. Lawrence project to the Aluminum Company of America is contrary to public power policy as I understand it.

The power authority does not have a right to contract away such a substantial bloc of public power for such a long term of years, regardless of what the State gets in return for this unprecedented concession.

It is, of course, desirable to keep the aluminum company in Massena. The State officials have an obligation to assist the aluminum company in meeting this company's power needs. The Aluminum Company of America at Massena is an integral part of the economy of New York State. It has been so for many years. I hope Alcoa continues to thrive and prosper in New York State.

I do not believe, however, that it is necessary, in order to meet the reasonable needs of Alcoa, for public power policy to be sacrificed and violated. I do not think the Aluminum Company of America should be allowed to insist—I do not think it will insist—on contract terms which are so extravagantly at variance with the contract terms entered into by hundreds of industrial concerns, including aluminum companies, with public power authorities in other parts of the country.

In the Northwest, and in the TVA area, aluminum companies, and other great industrial concerns, have been very glad to secure publicly developed hydroelectric power on a 15-year term basis. They have invested vast amounts of money in construction and equipment to build plants in the vicinity of these power sites. I see no justification for setting, in the case of Alcoa, a precedent that would plague not only the Power Authority of New York State but other public power authorities throughout this country.

There are other terms of the contract which, according to information given me, likewise call for review and reconsideration. I am sure that Governor Harriman will give all these provisions full and thoughtful study, keeping very much in mind the necessity for preserving the principles of public power policy.

(By Judge Samuel Rosenman)

As special counsel to the New York Power Authority, I am writing you with respect to a series of articles which have appeared recently in the Post attacking the proposed contract between the authority and the Aluminum Company of America (Alcoa) for the sale of power which is to be developed on the St. Lawrence River.

I have been shocked by some of the false, reckless, and misleading statements contained in these articles.

The power authority, after 24 years of frustration, failure and inaction, has at last begun to accomplish what it was set up to do in 1931. It has obtained a license from the Federal Power Commission to build, in partnership with the Hydroelectric Power Commission of Ontario, the necessary dams, powerhouse, and other facilities to turn the waterpower of the St. Lawrence River into electricity.

Under the vigorous leadership of its new chairman, Robert Moses, it has raised the necessary $335 million for the United States half of the job. It has raised this sum not from the treasury of the State or Federal Government, not by having the State or Federal Government pledge its credit, but by selling its own bonds in the open market. These bonds have to be paid off by 1995—solely from the income the authority gets from the sale of electricity.

ALCOA LONG ON THE SCENE—AND THERE IS THE RUB

It has acquired land and let major contracts for construction. It has reduced the proposed construction period from 7 to 5 years.

The power authority, in its vigorous efforts to carry out its functions, has run into several very difficult problems. One of the most difficult was Alcoa. This was no theoretical problem. It was a very practical one. Alcoa has been engaged in business in northern New York for over 50 years.

With the consent of the State, it has been using the waters of the St. Lawrence to develop cheap electricity for its own use.

The construction of the power project by the authority will, of necessity, deprive Alcoa for all time of the waterpower it has been using for 50 years. Unless Alcoa can get an equal amount of power on terms which permit it to engage competitively in business it cannot continue to remain in the State of New York.

In this situation, the authority could have done only 1 of 2 things: (1) It could have told Alcoa that Alcoa was no longer going to get any power produced by the water of the St. Lawrence and that it would have to move out of New York, or (2) it could have negotiated with Alcoa to sell it enough electricity on terms which would enable it to stay in business.

While the authority could have taken the first alternative on its own accord, it could have adopted the second only on terms which Alcoa was ready to accept.

What would have happened if the authority had taken the first alternative?

1. Sixty-six hundred persons in northern New York now employed by Alcoa would have lost their jobs. These employees and their dependents form about 25 percent of the entire population of St. Lawrence County. Some 750 of them have worked for Alcoa for 25 years or longer. The position of Alcoa in the economy of this part of the country is highlighted by the fact that it now pays 50 percent of all the taxes in the town of Massena and about 13 percent of all the taxes of the whole county of St. Lawrence.

There are no industries in this locality which can take up any substantial number of these employees. On the contrary, as you know, northern New York is presently going through a very difficult period of unemployment. I know you will agree that this is no time to add 6,600 to the unemployed in this area, or to deprive the local government of its principal taxpayer.

2. Alcoa would have claimed a stupendous sum as compensation for the destruction of its right to take St. Lawrence water to develop the electricity which it needs to make aluminum—a right which it had exercised for 50 years. It has an investment in this locality of over $91 million. Naturally, it would have stubbornly fought the authority through all the courts in order to save this investment and to continue its right to draw water—or to obtain vast sums of money in compensation for these rights. Although the authority was advised by counsel that Alcoa would not have been successful in such litigation, the expense of the lawsuits and, above all, the delay which they would have caused—and the bare possibility that they might be successful—were formidable considerations against adopting this alternative.

3. Alcoa owns a great amount of land in this area which will be flooded by the new dam being built by the authority. Much of this land would be very valuable as possible sites for power dams. In addition to its other claims for waterpower rights, Alcoa could have demanded large sums in compensation for these possible power sites and for other consequential damages.

All of these considerations were before the authority when it had to decide between the two alternatives. It realized that the first alternative might lead to disastrous results, not only to itself but to the economy of the northern part of New York. It therefore started negotiating with Alcoa to see on what terms it could sell Alcoa enough power to enable it to remain in business in the State of New York, continue to pay taxes, and employ people.

Over a period of 8 months these negotiations were carried on. There was give and take on both sides. No fairminded person can say that either side got more than it gave up or gave up less than it got. Every business contract is a result of this kind of negotiation.

Alcoa had been developing St. Lawrence power for itself—64,500 kilowatts of it—for only 1.56 mills per kilowatt-hour. The authority, in order to be able to pay off its bonds by 1995, had to ask all its buyers for much more than that. In fact, Alcoa will be paying approximately 4.2 mills per kilowatt-hour.

In addition, in order for Alcoa to use the alternating current, the authority will develop instead of the direct current it has been generating itself, it will have to spend another $25 million in construction and in changing equipment, etc.

Under another contemporaneous contract, Alcoa gives up all its claims to its water rights it has exercised for 50 years and its claims for consequential damages and other claims which would have run into millions of dollars. Litigation—with its expense and its delays—has been eliminated.

In view of the greatly increased price which Alcoa will have to pay for its firm power commitment until the bonds are paid off, in view of the additional expenditure of $25 million to enable it to use the power, in view of what Alcoa is giving up in the way of claims for water rights, consequential damages, etc., was Alcoa not justified in insisting on a long-term contract? Was not the authority justified in granting a long-term contract in order to keep Alcoa in the State and prevent the distress which would have resulted if it moved out?

ALCOA ASSURED OF ONLY 8 YEARS AT CHEAP RATE

It was only by a long-term contract, extending beyond the date of payment of the authority bonds, that Alcoa could ever get down to a rate which would be anywhere near the cheap rate at which it now generates electricity for itself. Although it is confidently expected that the bond issue will be paid off before 1995, under the contract Alcoa has assurance of only 8 years of this cheaper rate after paying the higher rate for the period of the bond issue.

And as additional protection to the authority, the contract now provides that if the rates are reduced by reason of pooling Niagara power with St. Lawrence power, then before reducing the rate to Alcoa the authority can change any of the terms of the present contract, including the length of it.

This was not a case of a new industry applying for a contract—as was the case where other public power developments in other parts of the country have sold their electricity to private industry. Examples of the length of contracts in other developments are therefore wholly irrelevant.

Here was a case of a company which was actually using the flow of the river, employing 6,600 people, having a great investment and certain definite fixed rights which it was being asked to relinquish.

The chairman of the authority seems to be selected by these articles for particular denunciation and abuse. Robert Moses needs no defense from me. He has done as much for the physical betterment of this State and this city as any man alive, and will be gratefully remembered for his accomplishments. He has been a fighting advocate of public development of waterpower in the interests of the people and a bitter opponent of private utility development of waterpower for over 30 years—beginning back in the days of Alfred E. Smith.

To accuse him—directly or by innuendo—of selling out to the power interests or of making a giveaway to such interests is not only shameless—it is ridiculous. And the public of the city and State who have benefited by his years of public service can only laugh at such reckless charges.

The articles in your paper have been increasingly abusive and increasingly incorrect. I take as an example one of them—dated May 9, 1955—and point out to you seriatim how patently false and absurd some of the accusations are:

FACTS NOT CONCEALED—GIVEN OUT IN RELEASE

Statement by the Post: "Robert Moses, chairman of the New York State Power Authority, has negotiated a 48-year contract with the Aluminum Co. of America, the Post learned today."

Comment: There is here an insinuation of some effort of concealment, whereas the Post actually learned about the Alcoa contract on April 8 from a press release delivered to them by messenger. In addition, the authority advertised the power contracts in 15 papers scattered over New York State. (The law requires advertisement in six papers.) Six advertisements were run in the New York Post, beginning April 10.

Statement: "Power experts foresaw the possibility that the Moses-Alcoa agreement would set a precedent which would divert the cheap power to private industry rather than residential consumers in New York and other northeastern States.

"Olds noted that the New York Power Act directs the authority to give first consideration to the electric needs of domestic and rural consumers. The act says that 'sale to and use by industry shall be a secondary purpose.' "

Comment: The Authority is directed by the Power Authority Act to erect "such transmission lines as may be necessary to conduct electricity to industrial users located at or near the site" and to study the desirability and means of attracting industry to the State in order to effectuate the policy of the act.

While the Power Authority Act provides that the sale of power to industry shall be a secondary purpose, it also says that the sale of power to industry shall be utilized principally "to secure a sufficiently high-load factor and revenue returns to permit domestic and rural use at lowest possible rates." The manufacture of aluminum produces a higher load factor than practically any other industrial process. Besides, as you know, other contracts already announced show that this is no precedent at all. The Authority expects to comply fully with the policy stated in the act with respect to "domestic and rural consumers."

Statement: "He (Olds) urged that Moses develop a comprehensive 'marketing plan' so the public can get some notion of how the Authority plans to distribute the St. Lawrence hydroelectric power and opposed approval of contracts 'on a piecemeal basis.' "

Comment: The Alcoa contract had to be made now if Alcoa was to stay in business in Massena. It went there originally because it was able to produce cheap power. The Authority must charge it a much higher rate. Many matters had to be settled between the Authority and the company, several of them on one basis if the company remained and on another if it left. The construction schedule requires that both spend many millions of dollars on related construction work. Obviously Alcoa would not undertake to spend such sums or to waive claimed water rights unless it first obtained a contract for the purchase of power from the Authority. It could not wait upon the sale of the balance of the Authority's power.

Statement: "There was a possibility that a group of Pennsylvania Rural Electrification Cooperatives would protest the Moses-Alcoa deal directly to Harriman.

"Representatives of the group have said privately that power Authority representatives won't allow them to be heard at Tuesday's session (the hearing on the contract). Whether this is Moses' final decision was uncertain."

Comment: As you know, everybody who wanted to speak at the hearing was given an opportunity to do so. There was never any suggestion to the contrary, and no basis for this reckless insinuation that they would not get a hearing.

QUESTION OF THE RATES ALCOA WILL HAVE TO PAY

Statement: "The base rate for the firm power would be $1 per killowatt and 2.67 mills per kilowatt-hour, for secondary power, totaling 65,000 kilowatts."

Comment: For firm power Alcoa must pay a so-called capacity charge of $1 per month for each kilowatt it contracts to buy, whether it uses it or not, and must also pay 2.67 mills per kilowatt-hour for all the energy it uses. There is a prescribed minimum amount of energy for which it must pay in any event.

As to secondary power, Alcoa, like other customers, will pay an energy charge only—the initial charge being 2.67 mills—but unlike the others, Alcoa must pay for all the energy it contracts to buy whether it uses it or not.

Statement: "If the Authority finds it must charge more than $1.10 per kilowatt Alcoa has the option of increasing the amount of the cheaper 'secondary' power it consumes or 'terminating the taking of power

and energy under this contract in whole or in part'."

Comment: The general contract provisions adopted by the Authority, which apply to its contracts generally with all purchasers, allow a customer to cancel for any increase in rates no matter how small. The language in the Alcoa contract on this subject limits its right to terminate to an increase of 10 cents or more per kilowatt. The option given to Alcoa to take more "secondary power" by its terms is limited to situations where the Authority has the power available for sale and it is not subject to contract with others.

Statement: "Power analysts maintain that terms of the Alcoa contract are far more generous than those of the public agencies."

Comment: This is not so. Alcoa pays the same rates as everybody else, but is required to pay a higher minimum charge and is actually paying for power at a higher load factor than anybody else. See also the immediately preceding comment. Furthermore, while other customers, pursuant to the general contract provisions adopted by the Authority, are not required to pay for any power when closed down because of a strike, lockout or labor dispute, Alcoa under such circumstances must pay for half the firm power it contracts to buy.

Statement: "The language in these contracts also reserves to the Authority rights it appears to have surrendered in the Alcoa contract. In the Plattsburg contract, the Authority 'may discontinue furnishing electric service' if the city's operation of its power system 'interferes' with the Authority's operations."

Comment: There is no provision in the Alcoa contract for the discontinuance of service in case of conditions on the contractor's power system which interfere with the power system of the Authority for the reason that Alcoa does not have a power system.

In Opposition to Pay TV

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. CELLER. Mr. Speaker, under leave to extend my remarks, I insert herewith the following letter I sent to the New York Herald Tribune as it was printed in that newspaper:

REPRESENTATIVE CELLER EXPLAINS WHY HE IS OPPOSED TO FEE TV

To the New York Herald Tribune:

Permit me to congratulate the New York Herald Tribune on its recent wide coverage of the pro and con of subscription television. This was, indeed, a public service. I have written to the heads of the three large broadcasting and television chains in New York City urging that they program debates and discussions on both media to bring before their vast audience all facets of this far-reaching proposal.

The proponents of pay TV continuously reassure that they have no designs on the present free TV programs. How can we be sure? How can we prevent it? On March 7 of this year it is reported that some 65 million people watched Peter Pan and that the reaction from the public and industry was most favorable.

It has been stated that it cost $600,000 to put this spectacular on the coaxials and it is presented as an example of the 'type of program that could be brought into our homes more frequently through subscription TV. You don't need to be a statistician to figure out that if this program were viewed by so many millions it cost less than 1 cent per viewer. This is a very low price to pay to reach so many people with direct advertising.

Assuming that on subscription such a program would cost less than the price of a good movie—which varies geographically—you don't have to be a mathematician to figure out the astronomical box office for the slot machines on each set. With such a jackpot, how can the purveyors of pay TV resist moving on to more territory?

It should also be forcefully brought to the attention of the public that there will not be just one company sponsoring subscription TV. Each subscriber will have to buy a gadget or a meter for his set. Present estimates of the cost of such equipment run from $10 to $50. Let's say Mr. John Q. Public buys a meter. He may then run into the unexpected problem of wanting to view a program which is not carried by his particular service. Competition in the United States being what it is, is he going to have to acquire 3, 4, or more gadgets or slot machines or billing machines?

It is rumored that the gadget may be installed free by some companies. With the present estimate of $10 to $50 for the cost thereof, how can any company afford this tremendous outlay? Based on a recent Federal Communications Commission survey, there are an estimated 36 million sets in the United States.

Other rumors has it that if the gadget is free, installation costs will be charged, and same could amount to $30 a set. Under this arrangement, the subscriber could very well pay for both gadget and installation without realizing it. Totaling this up, the figure is staggering, on the basis of 36 million sets.

It is further advocated that fee TV cannot affect free TV. How can 1 station carry 2 programs simultaneously? In the words of the currently popular song, Something's Gotta Give, my guess is that it will be free TV.

As a Federal legislator, expected to consider carefully the overall results of any innovation such as this, I am dismayed at the probable effects of fee TV on our tax structure, employment, those in low-income brackets, transportation, and other industries. Will our movie houses, theaters, sports arenas, etc., be thrown into the discard? What happens to the tremendous investments in such real estate?

Television has been doing a satisfactory job to date and under present conditions. A great variety of entertainment and programs in the public interest have been presented, some of them of very high caliber. True, higher standards could be expected in a number of instances, but industry replies that they cater to the taste of the general public.

It should be reiterated that the American public does pay for this service now. I am confident that an analysis of the sales figures of the sponsoring companies would prove that there has been a tremendous increase in the sales of their products since the inception of TV. These huge financial outlays would have been discontinued long ago if the medium had not produced the most desirable results.

Free broadcasting and free television have been undisputed boons to the industry of this country. I shouldn't think the sponsors would be happy at the prospect of killing the goose that laid their golden eggs, but they are strangely reticent at this time on this subject.

In closing, may I say I shall continue to oppose all efforts to foist fee TV on the American public.

EMANUEL CELLER,
Member of Congress.

WASHINGTON, D. C., *June 14, 1955.*

A Bill To Create the Office of Senator at Large for Former Presidents

EXTENSION OF REMARKS

OF

HON. FRANK L. CHELF

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. CHELF. Mr. Speaker, the following is a statement that I made before Subcommittee No. 4 of the House Judiciary Committee at 10 o'clock, Tuesday, June 21, 1955 with respect to my bill H. R. 3886, which seeks to create the office of Senator at Large in the United States Senate for former Presidents of the United States of America:

Mr. Chairman and my colleagues of the committee, I want to thank you for giving me this opportunity to appear before you today in the interest of H. R. 3886 which seeks to create the office of Senator at Large in the Senate of the United States for former Presidents. In the future, under this legislation, there will always be the possibility of one or more ex-Presidents in the Senate, no matter what his political beliefs may be. Gentlemen, if there ever was a time during the history of our Nation that the combined talents, "know-how," experience, and training of our two living former Presidents were needed to help us solve the many complex problems with which we are presently confronted—this is that time. Let us make no mistake about it or lull ourselves to sleep over the international situation because, quite frankly, our relationship, at the present time, with the various countries of the world is most precarious.

At this time, our country is particularly blessed in having two splendid gentlemen who have served as Presidents of the United States of America. One of these distinguished gentlemen is a Republican, a conservative, and truly an elder statesman; while the other outstanding gentleman is a Democrat, inclined to be liberal, and is a real American.

The Honorable Herbert Hoover has had long and varied experience as a public servant. In addition to his having served as the President of the United States, he has served in various capacities throughout the years both prior to his term as President and since that time as chairman of various boards and commissions which have added additional luster to his good name. You will recall that during World War I, President Wilson designated Mr. Hoover to adequately, efficiently, and humanely distribute food, clothing, medical supplies, and other aid to stricken peoples, scarred and marked by the ravages of war. Mr. Hoover presently is serving as active chairman of the Commission on Organization of the Executive Branch of the Government and is, as usual, making a most valuable contribution to his Government and to his country.

No doubt, at this juncture, you are asking yourself the question—well this all may be very true, but what does Mr. Hoover think of this legislation? This is a good question. Although I wrote Mr. Hoover a letter asking for his comments, I must confess he replied that while he appreciated my sentiments and remarks, he asked that I do him the "kindness of leaving him out of the discussion." In other words, Mr. Hoover quite clearly takes the attitude that since he is involved in the legislation, he ought not to be embarrassed by being requested to make a statement. While I am unable to give you Mr. Hoover's reaction, I am informed that a similar plan, such as I propose in the House and Senator KILGORE proposes in the Senate, "received

the weighty endorsement of former President Hoover in 1949." It is my sincere belief that Mr. Truman is not averse to the plan.

The Honorable Harry S. Truman served as United States Senator from the great State of Missouri for approximately 10 years. He gained national stature and prominence by serving as chairman of the Truman Investigating Committee. In 1944, he was nominated and elected by the people of this country to serve as Vice President under President Roosevelt. He had hardly settled down into his office as Vice President when President Roosevelt was summoned to his reward by the "Master of all nations, lodges, and men" and suddenly and without warning, Mr. Truman found himself being sworn in as President of the United States.

Whether we agreed with Mr. Truman's politics, his policies, his methods, or his achievements, there is one thing that I feel that all of us will be bound to admit, he served at a most crucial time in our history.

In my opinion, no man ever was confronted with the decisions that he had to make as Commander in Chief of approximately 12 million men to successfully conclude World War II and to help lead our country and the world, for that matter, which was tottering on the brink of destruction and despair, back to a sound, sane, postwar status.

My colleagues, it was President Harry S. Truman who had to make the decision as to whether or not the atom bomb would be dropped on Hiroshima and on Nagasaki. I know and you know that this good man had to take decisions of such magnitude to the good Lord in prayer. Frankly, I do not think that any person could make such a momentous decision without calling on Almighty God for help and guidance.

Mr. Chairman, I feel very deeply about this particular situation. Down in my heart, I know full well that there are tens of thousands of our young men who are living in happiness today due to the decision made by President Truman to drop these bombs, each carrying death and destruction equivalent to 50,000 tons of TNT.

It took real courage to issue that order that acted as a certain death warrant to thousands of civilians. Nevertheless, we were at war, a horrible bloody war and it was either the Japanese or our soldiers who had to die. Had not Mr. Truman made the decision at the time, place, and manner in which he did, World War II would have continued and the million casualties in blood and the billions in gold and treasure that we lost might conceivably have been doubled.

Mr. Chairman, I know there will be some objection to this legislation but I sincerely trust that that objection will stem from an honest disagreement with the object, intent, and purpose of this bill rather than from any prejudices that any Member of Congress may have against either one of our two former Presidents. I have spoken to several of my colleagues about this legislation. I have urged their support of this bill. I am happy to report that 4 out of 5 favor it overwhelmingly because they agree with me that unless this legislation is enacted now during the time in which both former Presidents are active and alive, it will never be done.

The small amount of opposition that I have encountered to the legislation is, unfortunately, due to prejudice against one or the other of the two former Presidents. Such attitude is strictly unfair because you and I know that we cannot legislate by prejudice.

Any man who has served his country in as many capacities as these two distinguished men and, in addition, has served as President of the United States is highly qualified to serve as an ex officio Member of the United States Senate. Their advice, counsel, suggestions, and ideas on domestic and foreign policies ought to be made readily available to our legislators on Capitol Hill. As ex officio Members of the United States Senate, without a vote, our two former Presidents would have daily contact with the people through the medium of press, radio, and television and it would afford them a forum for their thinking on national and international problems.

At the present time, our former Presidents are somewhat reluctant to visit Washington, offer advice, or to speak out on matters of foreign and domestic interest unless they are invited to do so.

As a Senator at Large in the Senate, the country would have the full benefit of their services, talents, and their vast experience without any embarrassment to themselves.

In addition, I think it would be a healthy thing for the country to have at least 1 or 2 Senators, or for that matter, a couple of Representatives of the House, who could sound off on any issue that might come before the Congress without having to worry about his constant campaign for reelection or any voter repercussions. Truly it would be refreshing to have these elder statesmen serving as Senators-at-Large. It would be America at her best and in her finest tradition. As a democracy we either come up with new ideas occasionally or we wither on the vine of progress.

On April 15, 1955, the Louisville Courier-Journal printed an editorial entitled "A Senate Seat for Hoover and Truman." Later, on April 25, 1955, that splendid newspaper printed another editorial entitled "A Forum Is Needed, Not Just a Pension."

The editorial dated April 15, 1955, among other things, had the following to say:

"But they (Truman and Hoover) would hold positions of recognized distinction instead of being relegated to relative oblivion. They would be, in every case, men inclined by training and circumstance to think in national rather than in more local or regional terms. Freed of all thought of elective harassment, and representing the people at large, they could at their best provide the country with a continuous wealth of experienced statesmanship. It is an asset that should not go begging. Congress could make this a memorable session, indeed, by reintroducing us all to Senator Hoover and Senator Truman, and preparing us, in time, to meet Senator Eisenhower."

From the editorial dated April 25, 1955, I quote the following excerpt:

"It is politically improbable that Congress ever would pass a bill affecting former Presidents of the United States except at a time when ex-Presidents of the two political parties were alive. The 84th Congress has such an opportunity now while Herbert Hoover and Harry Truman are active and alert. * * * Bills introduced by West Virginia's HARLEY KILGORE and Kentucky's Representative FRANK CHELF, would make all ex-Presidents nonvoting Members of the Senate for life terms. * * * It seems to this newspaper that making our former Presidents' experience and wisdom officially useful in the United States is more important than method. * * * But of the two plans (the civil-service pension plan) the Kilgore-Chelf proposal appeals to us more. It imposes no inflexibility on the pattern of service. It gives official and active status to those former Presidents who desire to use it. It removes any suggestion that the old gentlemen have been pensioned off to pasture—which is quite the opposite of what is intended."

There is a great deal more that I could say with respect to the qualification of these outstanding Americans and why they ought to serve in the Senate, but since I realize I am speaking to men who understand and appreciate the accomplishments of our former Presidents, it would, therefore, waste your valuable time to go into further detail.

Once again, I want to thank you for your kindness in hearing me and I sincerely trust that you will favorably report this legislation.

Moral Values and American Achievement

EXTENSION OF REMARKS

OF

HON. PAUL CUNNINGHAM

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. CUNNINGHAM. Mr. Speaker, under permission to extend my remarks in the CONGRESSIONAL RECORD, I include an address by the Honorable FRED SCHWENGEL, who represents the First Congressional District of Iowa, as it was delivered on the east steps of the United States Capitol on Flag Day, June 14, 1955:

MORAL VALUES AND AMERICAN ACHIEVEMENT

The audience that made it a point to come here today must have an exalted sense of the American tradition.

Flag Day is a patriotic day and I incline to view that it is patriots who gather to celebrate it.

We stand on the steps of a Capitol of the people, therefore the greatest Capitol in the world.

It is impossible not to sense and to quicken to the aura of the greatest history of mankind that crowds in upon us in this almost holy place.

Here, almost on this spot, spoke a whole succession of presidents.

Their inaugural addresses present an insight into the history of our country.

If what they talked about and campaigned for, and the ideals that some of them died for, were wrong, or impractical, or composed of dream stuff, then this ceremony, this audience, this exalted sense of the American tradition that you feel with me, could not have happened.

There would be no United States of America.

The proof of the solid substance they builded for their own time and for the generation to follow is our survival as a great Nation at this hour in this place.

This place which has become the seat of the most important power in the world in the long and often melancholy history of the human race.

This our Government achieved its eminence in a world noted for savage rivalries, harsh racial, and national hates, and the persistent and sometimes brilliant drive of despots who want to enslave the world.

Here, on this soil we are pleased to call America, tyranny in all its forms met its first, tremendous, and enduring defeat at the hands of pure reason and moral principle.

What was created here of lasting value is the complete frustration of the philosophy of the brutal use of force for selfish ends and its replacement by a republican form or a representative government of the people.

History shows that at the very inception we put our trust in moral values. Moral values backed by valor and by sacrifice. The reward—as we can see—is without parallel in the annals of progress and prosperity of a nation.

The reward that is ours is in a clear national conscience.

It is these moral values that essentially encompass the meaning of the day we honor.

It is these moral values that is represented in the bit of color and bunting which we memorialize on this occasion.

It is this that we mean by Flag Day.

Our flag flies constantly over this spot. It is one of many shrines where that proud symbol flies continually.

Since we have had a national flag, it has been present at all the important events in our history and if it could speak out to us

today, those moments and words would be relived with an eloquence that would stir the patriotism in all of us and of all the freedom loving people everywhere.

It would amplify for us the words of Thomas Paine, the great crusader for Americanism in its early hours of desperation before we had a flag. He was among the first of America's adopted sons, to give flame, and inspiration to the ideals for which this flag is the symbol.

Paine addressed himself to the greatest source of power in nation, the people. To him, the people listened. They lent their ears and responded with a devotion that did much to give us victory when victory was so hard to come by, and cost so dearly, and looked so remote.

Among his associates were not only men of words but men who were shaping a doctrine and a system of government. They had a faith and were men of deliberate and determined action.

This doctrine of faith was remarkably geared with words and action in those days and went into battle joining knowledge and mind with muscle. For if you think of 1776 you must think of Paine's pamphlet, Common Sense, which was published that year.

Paine deplored the summertime patriots of whom there were some in 1776 just as there are some in our time.

But Valley Forge a year or so later put to the test whether George Washington had an army of real, or merely summertime, patriots.

And the times that try men's souls tried every generation of our country long after Paine coined the phrase and long after he had been gathered to his ancestors.

Can't we in this hour boast that we have proved ourselves a nation of more than Flag Day eulogists and enthusiasts, out for emotional patriotism on a fine day? I think so.

For we proved our stamina, our resilience, and our faith in the fight we put against economic panics and political upheaval of our own making.

We proved it in recessions and depressions. And we proved it in disasters and near-disasters forced upon us from the outside, whether in the sinking of the *Maine*, the German U-boat attacks before World War I, or the assault on Pearl Harbor. We proved it within the walls of our majestic Capitol and its Chambers that give voice to the will and the vision of the people through their elected representatives.

Sometimes the words the flag speaks sound hortatory to modern ears—as perhaps mine do today—but immortal words of our past have rung down through the decades and have moved and stirred our Nation to unity and to greatness. Language such as: "Liberty and union, now and forever, one and inseperable." Worn, sometimes tired, words that never lose their deep moral meaning such as: "with malice toward none, with charity toward all"—heard right from these steps. And these words follow almost as a matter of course from such phrases as "all men are created equal" and "equal justice under law."

For that is exactly what this flag is all about.

Our flag heard the words of Washington when he said in his famous farewell address, "Religion and morality lead to political prosperity." To many of the sophisticated and the cynics in his audience that day, as to perhaps a good many today, that statement must have sounded a little too pious, a little too grand and a little too absurd. Yet at this hour you and I have the facts, the figures if you like, the living reality. Did religion and morality bring about prosperity? We have the answer not only in the kind of dollars and cents that can be calculated to enormously impress brilliant folk inclined to be cynical about God and virtue, but in the real worth of freedom, liberty, and justice.

If we had eliminated religion and morality from our people this growth would not have been so phenomenal—and, speaking for myself—I doubt we would have survived at all. For us moral values represent the basis of our Government. Moreover had we not moved along the moral and religious paths of our Founding Father and progressed regularly upward to higher goals morally, from our beginnings this vastly powerful Nation that we are today would not have been. We know the mistakes we made and they were grave, mistakes by ourselves as a government, mistakes as a people, mistakes we made as individuals. But in the summation of it all, it cannot be denied that the keel upon which this ship of state was constructed was basicly morality and religion, taught originally and principally by the church. While the church is completely separate from the Government and should remain so, yet morality and religion it taught filled the mind of the Father of our Country.

They breathe in the Constitution of the United States.

They are the heart of the thinking in our state papers.

They invest the language of our presidential inaugurals.

They determine the outposts of right in our economic system, our labor and business laws, our debates over immigration laws, our bureaus and regulatory commissions.

They render lofty, noble, and practical the decisions of our courts.

We even engrave them in stone on our most hallowed buildings. Should you have occasion to go to the Supreme Court you will note the language of the pediment: "Equal justice under the law." This is the foundation of true religion which gave us high morals on which our Nation rests today and it is this that is our greatest security today.

If our flag and democracy stand for anything they stand for that.

And that is the kind of system and ideals given our resources that makes possible the growth of a nation from two-thirds of a billion dollars in income for a year to $300 billion in 165 years.

How could Washington's words have been more right? "Religion and morality lead to political prosperity."

A flag of 15 stripes and 15 stars on a blue field flew at Fort McHenry on September 13 and 14, 1814 when Francis Scott Key, seeing it in the "rockets red glare" wrote The Star-Spangled Banner. That very flag, incidentally, is now in the Smithsonian Institution here in Washington (a banner 30 feet by 40 feet). I visited there and was inspired by this historic emblem.

Up to 1912 there were some 20 changes made in the flag.

In 1918 the Congress ruled that the number of stripes remain 13 in honor of the States first ratifying the Constitution. It stipulated that also "on the admission of every State into the Union, one star be added to the Union of the Flag." President Taft, by an Executive order prescribed uniformity on the blue field. He directed 6 rows of 8 stars each. Another regulation provides that the stars must have five points, and that they must be placed with one point upward. Still another regulation calls for 7 red and 6 white stripes, with the red stripes placed on the outside edges to increase visibility as the flag flies against the sky.

This very briefly is the physical and chronological story of the flag we honor today.

To 165 million people of the United States that flag speaks the language of the Constitution of the United States guaranteeing the dignity of the individual: Freedom of speech, of worship, or assembly, trial by jury, security of the person and the home, no unusual punishment.

Yes; the Constitution has kept the faith.

It has formed a more perfect union, established justice, insured domestic tranquility, provided for the common defense, promoted the general welfare, and secured the blessing of liberty. It has given us the Bill of Rights. And up to this hour the people of the United States in all generations have met these inalienable rights with the due regard of a citizen for his responsibilities.

We must always remember that this Nation was not created to destroy the tyranny of the despot only to replace it by the tyranny of the mob and/or the mob leader. The flag as it flies, reminds that we must not condemn people until they are proved guilty, because the story of this flag is rich in the language of justice. This flag is a symbol for high and noble virtues but they have no meaning unless we translate our faith and our doctrines into results.

Of all the symbols that stir our people, there is none that denotes action quite so much as the flag we honor today. Ever since Valley Forge on through Gettysburg, the Argonne, Iwo Jima, and the Bulge, it has stood for action in a cause that is just; a cause of the people.

Tom Paine demonstrated the power of the written word when it was commonsense. In saying "give me liberty or give me death," Patrick Henry stirred the hearts of a people and started to forge the loose links of a mighty Nation. Then came the words of the Declaration of Independence which some think is the greatest of all declarations. It gave us ideals and character for which to fight. And we did fight. Then a Captain Parker made a statement some 180 years ago which came to be our war policy in the first major war and all the wars to follow: "Stand your ground. Don't fire unless fired upon, but if they mean to have war, let it begin here." Always the accent is on: Let them begin it.

These and many others were calls to patriotism to save a nation yet unborn. It was followed by a whole panorama of battles for a cause, yet to be understood. The names of those battles have a revered place in the struggle for freedom—Ticonderoga, Valley Forge, Yorktown. Then came the struggle for union to preserve this Nation for a place among the world family of nations. And in the battles that followed we struggled to keep freedom and justice alive and meaningful in that family of nations, and above all, to have for all time on this continent, "one nation indivisible with liberty and justice for all."

We are not, and must never be, a Nation of merely Flag Day enthusiasts and summertime patriots. This Government has given us so much and has so much coming from us. In the past, we have responded with heroism in battle and with legislation to meet crisis after crisis in the domestic disasters of this country.

If need be we can prove our mettle again, staking for this flag what our forebearers staked for it—our lives, our fortunes, and our sacred honor.

Let us then as we commenorate this Flag Day promise to live each day so as to honor its rich heritage and thereby add to its greatness.

Let us, too, as we see it flying atop this Capitol and all the 48 State capitols of our Nation remind ourselves often of the dedication and sacrifice of our forebears that brought our Nation into being and then rededicate ourselves to the ever unfinished task of maintaining a good Government that is truly of, by, and for all of the people.

Let us too keep it flying above or in the area of all our institutions of learning—private and public. There to be to us ever a reminder that without true and free education an enlightened people cannot grow or continue long as a republican form of government.

And wherever we see this our flag flying let us remember that it is becoming to each of us to be better citizens in peace as well as in war.

To religious leaders it looks with confidence to help and to lead in keeping and strengthening the spiritual and moral values upon which our whole system rests.

To the elected and appointed leaders in government it is calling for the Nation to Give Us Men:

"God, give us men. A time like this demands
Strong minds, great hearts, true faith and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor; men who will not lie;
Men who can stand before a demagog
And damn his treacherous flatteries without winking
Tall men, suncrowned, who live above the fog."

To the world our flag is a constant invitation to adopt our way of life and join with us to hasten the day when we shall have peace on earth and good will toward all men everywhere.

And to all mankind everywhere it is reminding us of words of a great seer when he said: "No doctrine, faith or knowledge is of value to man except as it bears fruit in action."

Let us then harken onto these things and to all of the true patriots of old and conduct ourselves according to the great fundamental truths expounded by them. Then we will be blessed by Him from on high and all together we can sing with greater devotion: God Bless America.

Who Is the Villain?

EXTENSION OF REMARKS

OF

HON. J. T. RUTHERFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. RUTHERFORD. Mr. Speaker, since the Supreme Court rendered its now-infamous decision of June 7, 1954, in what is now commonly known as the Phillips case, there has been a harsh and immediate reaction by a goodly number of so-called city fathers throughout this land. Backed by financial, spiritual, and moral support of the gas distributors, they have hailed this verdict as a great decision in the interest of the gas consumer.

And, inevitably, as always in such contentions, the consumer has been portrayed as a widow woman who is getting a great blessing by being able to pay what is termed "a fair price" for her gas at the burner-tip by the alleged generosity and kindness of the distributor and the Supreme Court.

In keeping with this fable, the distributor and the city fathers have painted the picture of the "rich producer" for all to see. It is always popular in our complex society to represent the so-called rich interests as the villain. Now, the producers of the Southwest—and especially in my home State of Texas—are being tagged with this big rich villain label.

It is time the people from the gas-producing States, who know the true facts, meet this challenge.

First, Mr. Speaker, may I say that there is a principle involved. As a result of the Supreme Court decision, we find the Federal Power Commission regulating the price of gas at the wellhead. Yet the hog in Iowa is fattened for the kill and shipped across the State line without any agency regulating the price it will bring. The automobile is made in the East and sold throughout the country, but there is no Federal regulation as to price on this product. Then, why is it that the Federal Power Commission regulates the commodity of gas? Is it because gas is a form of energy? No, Mr. Speaker. Wood is used for power, for fuel, for burning, yet the price of wood is not regulated simply through the fact that it is shipped across the State line.

Mr. Speaker, as I said earlier, in any drama, and especially in that type of theater known as the melodrama, it is popular to applaud the hero and hiss the villain. And the oil and gas producer is being tabbed the villain in this case.

Let me point out here that we do have some prima donnas in the petroleum industry. These individuals—and I assure you they constitute a very, very small minority—have been at times a source of embarrassment to our State and to the industry which has made them successful and sometimes wealthy individuals.

I speak not for these few.

I speak instead for the sincere majority of our producers who are sick and tired of the unfair and villainous role into which they have unwillingly been thrust.

The leaders in the move to allow the Federal Government to control the price of gas at the well, have climbed aboard a white charger, donned a cloak of armor and have sallied forth to slay the villain; the dragon, the "rich producer," if you will, Mr. Speaker.

And all in the fair name of the lily-white maiden that is the consumer. Shining knights in armor indeed.

Just who is the villain? Who is the true villain? Let us examine the facts. And let me say first that I am a consumer of natural gas, but from a gas-producing State and a gas-producing section of that State.

The only activity I have ever personally had in the oil fields and gas fields came while I was wearing a tin hat, steel-toed shoes, cotton gloves, and greasy coveralls.

I do not own a dime's worth of oil or gas, other than what I buy from the distributor for home consumption.

I would like to also point out that I have been consistently and uniformly opposed by the gas producers in my district.

So, to those who say I have a selfish interest, Mr. Speaker, I say, yes, my interest is selfish if a principle can so be termed.

Hiss the villain, hiss him loud and hiss him long. But first find who the villain really is. There may not be a hero in this drama but I intend to point out the facts and then, I think without a doubt, you will know whom to hiss—and possibly to cheer.

Let us consider for a moment both the transmission and distribution of gas—including the rates charged by the transmission and distribution companies—and we will see that both have been under governmental regulation for many years. As I am sure you are aware, Mr. Speaker, the Federal Power Commission regulates the interstate transmission lines, and State or local utility commissions oversee the distributing companies. May I point out that only in recent years, at their request, have the distributors requested Congress, and they concurred that they themselves be removed from Federal regulation through the FPC.

As consumer prices began to increase, consumer groups began protesting to the various regulatory bodies. They overlooked the fact that the price of natural gas by the producer at the wellhead had defied the rapidly rising trend in the cost of living for several years. They failed to realize that this same upward cost of living trend eventually was bound to have some effect on the cost of operations of the natural gas industry and that prices would have to move upward also. Each phase of the natural gas industry attempted to justify and rationalize its own price position, unfortunately inferring in doing so, that perhaps the other segments of the industry were the causative factors behind the price increases.

I am concerned that the continued Federal regulation will affect both adequate supplies and reasonable prices. In the first place, I know that regulation of natural gas production by the Federal Government cannot possibly result in lower prices over any extended period. On the contrary, I am confident that regulation will result in higher prices than would otherwise prevail. As an example, let me point out that the existence of regulation of the carriers and distributors has not prevented such firms seeking rate increases caused by increased steel, labor, and tax costs.

Actually, my concern is directed more to future supply than to prices. I am convinced that adequate supplies will be made available under continued competitive conditions. I am not convinced that such supplies will be adequate if regulatory effort deprives the producer of a proper incentive to seek out and develop new reserves.

Now, Mr. Speaker, let us consider particular cases in point and keep in mind, if you will, the fact that we are looking for the villain.

Consider, for instance, Providence, R. I. The producer is paid 10.1 cents per thousand cubic feet for his gas at the well. To transport the gas to the city gates of Providence costs 42.2 cents per thousand cubic feet. Now let us stop and do some simple addition: This is a total of 52.3 to buy the gas and deliver it to the gates of Providence, R. I., from Texas; but then the consumer is charged $3.64 for this same gas. Yes; the widow woman is paying a steep price to her protectors.

In New York City, Mr. Speaker, the consumer pays $2.76 for gas for which the producer received 7.8, and which cost only 23.5 to transport—that's from Texas to New York. And the State of New York at the same time it is yelling

about "the rich Texas producer," has tagged a 3 percent tax on our Texas product for sale in New York. This tax alone represents almost the price the producer received at the well—the tax 7.2.

Elizabeth, N. J., where the city fathers are looking after the interest of that "pore ole widder woman," pays the producer 7.6 cents for his gas at the well, transports it for 26.4 cents more, and sells it for $2.76.

Cambridge, Mass., pays 0.101 cent per thousand cubic feet to the producer, then 54.9 cents to transport it to the city gate. And that consumer pays $2.58 for literally 4 bits' worth of gas.

Mr. Speaker, some will allege that the natural-gas producers are few in number; that they create a monopoly; that a few of them, a mere handful, hold the industry in the palm of their hand.

I submit, Mr. Speaker, that the top 4 companies in this industry comprise only 17 percent of the business; the top 8, 28 percent; the top 20 a total of 46 percent. If those among us think that this is in contrast to my contention that this is not a monopoly business, then let them consider comparative figures for other industries. The top 4 companies in the copper business control 80 percent of the production, the top 4 companies in the iron-ore business make up 62 percent of that industry; the top 4 companies in the cigarette industry control 90.4 percent; and the top 4 companies engaged in automotive work and parts control 55.7 percent of the total business. In fact, more than 6,000 producers are furnishing gas to interstate transmission lines.

Therefore, it is clearly not true that a mere handful of rich producers control this vital industry.

In fact, production widely held presents an ideal ground for competitive activity. This condition gives rise to competitively economic strength.

Who really is concerned and involved is the landowner and producer. He is a man who, if you will listen, will probably tell you a story that begins with his grandfather coming to the Southwest in a covered wagon in 1850, or 1860, or 1870. He came to settle. He settled, and he perhaps fought the Indians, and without a doubt, he fought the elements. He scratched out a living out of the barren soil; then a company drilled on that land, and beneath that barren exterior, they found gas. And now the little farmer or rancher, as the case may be, found himself able to buy not only the necessary things of life, but perhaps a few luxuries. Still he was not a wealthy man. In most cases he is not wealthy today.

There are hundreds of these individuals. It is their land. They have a product to sell. Just as the man who sells sheep, corn, wood, or automobiles has a product to sell, he is trying to get a fair market price for his product. And now the FPC, with the sanction of the Supreme Court, jumps up to tell him how much he can get for his product—if it is natural gas—but not on the other products.

Mark my words, Mr. Speaker, if this is accomplished the man who states that he is "protecting" the consumer today by approval of the regulation of this commodity by the FPC, some day will find his product regulated by some Government agency. And oh, there will be weeping, and wailing, and gnashing of teeth. He will pray—but his prayers are too late.

Mr. Speaker, I am ready to hiss the villain. Who is he? He certainly is not the consumer. He is not the producer. Then, could he be the one who pays a nickel for a thousand feet of gas and sells it for $3?

I urge the House to give favorable consideration to H. R. 6645.

Desegregation

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1955

Mr. CELLER. Mr. Speaker, the precedent for desegregation handed down in last year's Supreme Court decision, plus its reaffirmation the other day, are landmarks in the history of the United States. These are the most encouraging beacons set out along the path to equality which the Negro has so long sought. Further inspiration and guidance will be given those who have made every effort to further interracial goodwill.

Recently, at Bandung, the world watched the Conference of Asiatic leaders. I am confident that the desegregation decision penetrated every echelon of the conclave there assembled, and undoubtedly left its imprint of inspiration. In Indonesia, site of the assemblage, there is the caste system. In India, presided over by Nehru and Krishna Menon, the untouchables have been liberated by law but not in fact; they have the Brahmins and the Khatriyas and many other gradations between. Similarly, in China, despite the propaganda boasts of communism, there is segregation of all sorts. Happily, in the United States, these decisions will do much to dispel the doubt and fog involving our attitudes.

Decisions of this type do not come down as manna from heaven. They do not spring from vacuums. It is not comparable to opening a box and finding a valuable jewel. It has been the result of painstaking, backbreaking, heartbreaking work of organizations such as the Association for the Advancement of Colored People, the Urban League, and leaders like Rev. Thomas C. Harten. We are tremendously indebted to men like Walter White, for many years secretary of NAACP, and women like Mary McLeod Bethune, educator and civic leader, whose deaths within the past year have given the whole country a sense of loss.

I hope this will prove to be the last bend in the long road that has been beset by obstacles of prejudice, bias, and the inhumanity of man to man. In a way, this decision is as great as Magna Carta and the Declaration of Independence, because it implements the freedoms so gloriously set forth in those famous documents. It echoes the voice of Leviticus, whose stirring command is inscribed on the Liberty Bell: "Proclaim liberty throughout all the land unto all the inhabitants thereof." It reminds us of Washington's reverent greeting to the members of the Portuguese synagogue in which he quoted the prophet, Micah: "They shall sit every man under his vine and under his fig tree; and none shall make them afraid."

It is to be expected, I suppose, that some southern leaders will make every effort to balk the carrying out of this judgment and advocate interminable litigation. Certain States in the deep South have already announced their inflexible opposition to the principle and practice of desegregation in the schools. They may not openly disregard the Court's order, but they can flout and oppose it by subterfuge. The Court requires that the defendant in last year's case "make a prompt and reasonable start toward full compliance" with the ruling of May 17, 1954. Let us see to it that there will be no undue delay, no pettifogging of a clearly determined issue.

I like the way Alan Paton, author of Cry the Beloved Country, has said this:

> The history of the Negro * * * has been the history of hope and despair, of acceptance and rejection, of justice and terror, a story so noble and tragic that it is one of the greatest of the epics of mankind.

The American Negro is on the march. His star is rising. He is to come into his own. He must come into his own. He has a firm grip on a good beginning. He is protected by the minimum-wage law; we have a State fair employment practices act; his living standards have greatly improved. Certainly there is much more to be done; but the first few steps have been taken and there will be no retreat.

As in the fields of education, music, and medicine, so in the political world the Negro has embraced one more means of self-respect. For example, from 1940–1952, southern Negro voters have risen from 250,000 to 1,250,000 despite the decrease of Negro population in that region.

No one people in the United States has been called upon more to bear the burdens placed upon it by the immoral principle of exclusion. No one people more than the Negro has been called upon to exercise self-restraint to try to live a normal life within the cyclones of prejudice around them. No one people in the United States has moved so rapidly through such magnificent achievements to meet the responsibility and challenge its history has placed before it. The work is far from done but in the midst of this labor, it is right that we pause to rejoice in the achievements of the people who are part of this America, who have helped to make this America, and who until recently have been brutally, and I say criminally, denied the fruits thereof. The Negro people know in their hearts that bitterness cannot win for them equality of opportunity and have put white America to shame by their practice and belief in God's love and mercy.

Five years ago there were few, if any, fair employment practice laws. Today 12 States and 32 cities have such laws. Three States have fair education laws. Five States have public accommodation laws.

Five years ago there was only 1 Negro officeholder in the South, 1 Negro doctor on the staff of a general hospital, and only 1 Negro college professor appointed. Today such appointments will fill the pages of an entire book.

Today, in Washington, property segregation is gone, school segregation is gone, the theaters and motion-picture houses have been desegregated, as have been restaurants. Today some 2,000 Negro students attend integrated college classrooms in the South, and on May 17, 1954, the United States Supreme Court's historic decision banned segregation in the Nation's public schools.

I mention these as some of the highlights, and there are many others, in the closing of the gap of equality of opportunities between the white people and the colored. This does not call for a feeling of smugness or complacent satisfaction that all is well. I repeat there is much more to be done. We are only at the beginning, but we must remember that that beginning has been made, and that America's promise of a right to equality of opportunity for all must be fulfilled. The Negro people of the country have accepted the challenge and the responsibility and have made a record of which all of us, since we are the citizens of the land, are rightly proud.

Today there are approximately 15 million Negroes in the United States. It is important for us to know, for example, the population shifts of the Negro. The South which was more than one-third Negro in 1900, was less than one-fourth Negro in 1950, and if this migration continues, the population of the South will be only one-fifth colored in 1960.

More than 2½ million Negroes born in the South were living outside it in 1950. To put it more dramatically, let me state that the Pacific coast States had an increase in Negro population of 275 percent. In New York City, which has always had a high percentage of colored population, there was a jump of 60 percent between 1940 and 1950.

One further fact—the Negro has become a city dweller, and this is true even in the South.

These figures are important because the intermingling of the white and the colored populations has spread throughout the land, and equality of opportunity has been more completely divorced from the problem which had been mainly regional before.

The Negro people have reason to be proud. A Negro was world heavyweight champion boxer for over 10 years. None of us will ever forget Joe Louis. During the war years 3 of the 10 highest paid concert artists were Negroes. Negro athletes helped the United States win the International Olympics. A Negro has won the Nobel peace prize, Dr. Ralph Bunche. A Negro is now serving as chairman of a powerful committee in Congress.

It is not commonly known that the greatest artist in America and abroad around the turn of the century was Harry C. Tanner. He was born here in 1859 and died in 1907. He was the greatest painter of Scriptural subjects of his age.

Among the Negro painters today we find such famous names as William Edouard Scott, painter; William M. Farrow, painter and etcher; Selma Burke, sculptress; Aaron Douglas, a New York painter; and Hale Woodruff, a painter and ceramist, also of New York. Lois Mailou Jones, the painter of Washington, D. C., is sometimes considered one of the greatest artists of the present time, as also is Richmond Barthe, a sculptor of New York, whose works are widely recognized in Washington and on the east coast. Barthe's bust of Booker T. Washington is a masterpiece which has been placed in the Hall of Fame on the campus of New York University.

One of the youngest of the outstanding artists is Jacob Lawrence, of New York City, whose works have been exhibited in the Museum of Modern Art and in the prominent museums over the country.

Dr. Russell Wilfred Brown has achieved recognition in the field of bacteriology, in addition to holding the directorship of the George Washington Carver Foundation, Tuskegee Institute. Dr. Hildrus A. Poindexter, head of the department of bacteriology at Howard University, has also made significant contributions in that field.

Dr. Ernest E. Just, a world-famed authority on marine biology, was also on the faculty of Howard University in Washington until his death in 1941.

One of the greatest scientists of modern times was George Washington Carver, famous for his work in agricultural development. The foundation which bears his name, and which was established from his own savings, stands as a living memorial to the great scientist.

Dr. Robert Percy Barnes is widely known as an organic chemist.

Dr. Lloyd A. Hall, Chief Chemist and Research Director of Griffith's Laboratories in Chicago since 1929, has made numerous contributions in the field, holding 75 patents in the United States, Canada and Great Britain, on his discoveries.

Dr. Percy L. Julian has a long-standing reputation in industrial chemistry, having held many prominent positions in major universities before becoming director of research of the Glidden Co., in Chicago, where he has developed numerous innovations in paint compounds.

In American medical circles, the name of Dr. Charles Richard Drew stands out. His great contribution to modern medicine was the preserving of blood plasma for emergency transfusions during the war. For this he was awarded the Spingarn Medal. Dr. Drew, who is staff director and chief surgeon of Freedman's Hospital in Washington, is an authority on blood plasma and the author of many articles on this subject.

The contribution of the colored people to the field of music is hailed throughout the world as unique. The names of Marian Anderson, Todd Duncan, Paul Robeson, and Roland Hayes are familiar to everyone. Among the most popular concert artists of today are William Warfield and Leontyne Price, who traveled throughout the United States and Canada with the company of Porgy and Bess.

Singers, bandleaders, and composers who have enriched our popular music number among them many Negroes: Hazel Scott, Mary Lou Williams, Duke Ellington, Fats Waller, Louis Armstrong, Nat "King" Cole, Pearl Bailey—to mention but a few. And not to be forgotten is W. C. Handy who composed the perennial favorite, St. Louis Blues.

In folksong and in spiritual, Negroes have left a mark on the musical history of our times. Harry T. Burleigh and R. Nathaniel Dett, through their arrangements of spirituals, did much to advance the popularity of the spiritual in concert repertoires.

Various Negro choirs have gone on world tours and won high praise: notably, the Tuskegee, Hampton, Howard, Fisk, and Talledega University choirs, and the Hall Johnson and Eva Jessye choirs. On the radio, the Southernaires and the Wings Over Jordan Choir have maintained prolonged popularity.

Throughout World War II, Negroes were to be found on every battlefront, and many individuals as well as units distinguished themselves in combat. The 92d Infantry alone, which engaged in combat in the Mediterranean theater, received 12,096 decorations. The famed 99th Pursuit Squadron won its reputation in Italy. Outstanding records were made by the 332d Fighter Group, the 477th Composite Group and the 553d Pursuit Squadron—all Negro units.

In August, 1954, more than 880,000 Negroes were enlisted in the armed services of this country.

Booker T. Washington was primarily responsible for introducing industrial arts into public secondary and higher education curricula. The establishment of Tuskegee Institute was a big step in educational progress.

Dr. Mordecai W. Johnson, president of Howard University, and Dr. Charles S. Johnson of Fisk, have done much to further progress of higher education among Negroes.

Other well-known names in the field of education are Dr. Ambrose Caliver of the United States Office of Education; Dr. Charles H. Thompson, editor of the Journal of Negro Education; and Dr. Carter G. Woodson, editor of Journal of Negro History.

In the field of sports we have had Joe Louis, heavyweight champion; also boxers Henry Armstrong, Ray Robinson, Ike Williams, and "Beau Jack."

In baseball we have Jackie Robinson, Roy Campanella, Dodgers, and Leroy Satchel Paige, Cleveland Indians.

In the Olympics, Ralph Metcalfe and Jesse Owens were track stars in 1936 Olympic Games in Berlin. The names of Herbert McKenley, Alice Coachman, Harrison Dillard, John Borican, Archie Harris, Barney Ewell are well known.

In football, Buddy Young, Paul Patterson, Illinois, and Kenny Washington, of the Los Angeles Rams.

From 1901 to 1931 there were no Negroes in Congress. At the present time

there are three—ADAM C. POWELL, of New York; WILLIAM L. DAWSON, of Chicago; and CHARLES C. DIGGS, JR., of Detroit, Mich.

Other Negroes of achievement are William H. Hastie, Governor of the Virgin Islands; Eugene Kinckle Jones, secretary of the National Urban League; Dr. Frederick D. Patterson, president of Tuskegee Institute.

In closing I would like to quote from one of the famed books of my own religion, the Talmud, which says:

All men are equal. One man alone, Adam, was brought forth at the time of creation in order that thereafter none shall have the right to say to another, "My father was greater than yours."

The book further queries:

Why was man created a solitary human being without a companion? So that it might not be said that some races are better than others.

SENATE

THURSDAY, JUNE 23, 1955

(Legislative day of Wednesday, June 22, 1955)

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

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

Eternal Spirit, by whose word man goeth forth unto his work and to his labor until the evening, through the fear and tumult of this tragic day may we discern the shining path which is leading upward to the city of God. Set our feet, we pray Thee, with steadfast purpose, day by day, upon the glowing pathways of righteous duty and selfless service. In spite of suspicions, betrayals, animosities, and disillusionments which plague the councils of men because of those who have not Thee in awe, still gird our hearts to seek peace and pursue it, a just peace that scorns all thought of expediency or appeasement of evil, that the sadly sundered family of mankind may at last be bound by golden cords of understanding fellowship around the feet of the one God who is the Father of all. We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 23, 1955.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ALBEN W. BARKLEY, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. BARKLEY 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 Wednesday, June 22, 1955, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the joint resolution (S. J. Res. 67) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

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

H. R. 735. An act to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes; and

H. R. 6040. An act to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws.

ENROLLED BILLS SIGNED

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

S. 29. An act for the relief of Rica, Lucy, and Salomon Breger;

S. 35. An act to provide for the transmission in the mails of live scorpions;

S. 120. An act for the relief of Vasilios Demetriou Kretsos and his wife, Chryssa Thomaidou Kretsos;

S. 130. An act for the relief of Antonin Volejnicek;

S. 131. An act for the relief of Bohumil Suran;

S. 142. An act for the relief of Thomas Kunhyuk Kim;

S. 195. An act for the relief of Giuseppe Minardi;

S. 243. An act for the relief of Szjena Peison and David Peison;

S. 284. An act for the relief of Margarita Oy Wan Chan;

S. 375. An act for the relief of Alexy W. Katyll and Ioanna Katyll;

S. 412. An act for the relief of Jan Hajdukiewicz;

S. 432. An act for the relief of Aniceto Sparagna;

S. 471. An act for the relief of Aina Brizga;

S. 574. An act for the relief of Martin P. Pavlov;

S. 587. An act for the relief of Hildegarde Hiller;

S. 604. An act for the relief of Alick Bhark;

S. 640. An act for the relief of Roger Ouellette;

S. 644. An act for the relief of Sandy Michael John Philp;

S. 650. An act for the relief of Antonios Vasillos Zarkadis;

S. 676. An act for the relief of Robert A. Borromeo;

S. 735. An act for the relief of Sarah Kabacznik;

S. 892. An act for the relief of Jose Perez Gomez;

S. 1197. An act for the relief of Slavoljub Djurovic and Goran Djurovic;

S. 1747. An act to increase the public benefits from the National Park System by facilitating the management of museum properties relating thereto, and for other purposes;

S. 2078. An act to permit a retired officer of the Navy to be employed in a command status in connection with Antarctic expeditions;

H. R. 947. An act for the relief of Carl E. Edwards;

H. R. 1085. An act for the relief of Moses Aaron Butterman; and

H. R. 1660. An act for the relief of Wencenty Peter Winiarski.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Finance:

H. R. 735. An act to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes; and

H. R. 6040. An act to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, subject to the usual 2-minute limitation on statements.

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

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

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

The Chief Clerk proceeded to call the roll.

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

The 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:

INCREASED PEACETIME LIMITATION ON NUMBER OF LIEUTENANT GENERALS IN MARINE CORPS

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to increase the peacetime limitation