not end in complete victory. And yet, it would be wrong to say it ended in complete defeat, for because of the unquestionable authority with which he presented his views, he focused the attention of the public upon matters of the most vital import which might otherwise have gone unquestioned. He spoke with an authority based not on theory, not on secondhand information, but based solidly on intimate, personal experience gained in the frontlines of some of the most hard-fought battlefields in history. It was experience gained in Sicily, in Italy, in France, in Germany, and in Korea.

But in serving as advocate for the cause in which he believed with all his mind and all his heart, he did so without once transgressing by a fraction of an inch the proper sphere of a soldier. He not only believes, but he exemplifies the principle that a soldier should give his conscientious advice on the choice of a course of action but that he should wholeheartedly execute his share of carrying out whatever course is adopted, and that he should never question or trespass against the authority of the elected officials of the people to make the decision as to what that course will be.

I think that the essential greatness of this great American is brought out clearly in the way that, without compromising the integrity of his convictions and without violating the soldier's code he lives by, he conducted himself throughout a difficult situation with dignity, with restraint, and with unfailing propriety.

Make no mistake about it. Matthew Ridgway is one of America's truly great men. I have spoken of his brilliant achievements in many fields. I have not mentioned his warm, human qualities as a man. Once in Korea he saw a soldier loaded down with a heavy pack and with bandoliers of ammunition, making his way up the line as best he could under the burden he was carrying. One of the soldier's combat boots was untied, but he was too heavily loaded to bend over and tie his bootlace. All of a sudden he heard a voice say, "Could I tie that lace for you, soldier?" And before he could say anything he saw General Ridgway, the Army commander, kneeling in the mud in front of him and tying the dangling laces of his boot. That story reveals volumes about Matthew Ridgway.

He has true dignity. He has a depth of intellect and a depth of feeling, and he has greatness of soul. He has ever been fearless in battle, fearless in upholding what he believed to be right, but he is humble before God.

He is leaving the Army after 42 years of active service as an officer and cadet, and after a lifetime of dedication to his country. Fittingly, he is leaving the Army after having held its highest position, in which, without any question, he proved himself in one of the most difficult periods of our military history to be one of the most outstanding Chiefs of Staff our Army has ever had. But his service to the American people is not ending. It is typical of the man that in the position he has accepted as chairman of the board of a great research foundation he will continue to contribute to the welfare of the people of this Nation.

Mr. Speaker, all of us in this great country may be grateful, all of us may humbly thank God, that for these past years we have had the benefit of the selfless and devoted service of this great man and that for the future we have the inspiration of the magnificent example he has given us.

SENATE

THURSDAY, JUNE 30, 1955

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

Our Father God, for the beauty which fills the earth, for the love which hallows our homes, for the joy which springs from work well done, we thank Thee, the source of all true gladness and the Master of all good workmen.

Thou hast ordained that in the leadership of the nations, the care of the many must ever rest upon the shoulders of the few. We beseech Thee, give understanding, humility, and charity to those who in Thy name and for our Nation's and the world's sake are entrusted here, in this forum of deliberation, with the power of choice and decision. In this troubled and uncertain day when the seamless robe of a common humanity is rent by inner strife and outward fear, teach us to be anxious for nothing but to do our best. And, when following the kindly light, day by day, we have done faithfully the tasks which Thou hast committed to us, in quietness and in confidence may we leave the final result to Thy unerring judgment: 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 30, 1955.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ALAN BIBLE, a Senator from the State of Nevada, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. BIBLE 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 29, 1955, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the bill (S. 2266) to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956.

The message also 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 House to the bill (S. 727) to adjust the salaries of the judges of the municipal court of appeals for the District of Columbia, the municipal court for the District of Columbia, the juvenile court of the District of Columbia, and the District of Columbia tax court.

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. 6042) making appropriations for the Department of Defense 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 6 and 20 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 5 and 33 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message also 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. 6239) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part to the revenues of said District for the fiscal year ending June 30, 1956, and for other purposes.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5891) to amend 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, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ENGLE, Mr. ROGERS of Texas, Mr. METCALF, Mr. SAYLOR, and Mr. DAWSON of Utah were appointed managers on the part of the House at the conference.

The message also announced that the House insisted on its amendment to the bill (S. 1464) to authorize the Secretary of the Interior to acquire certain rights-of-way and timber access roads; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ENGLE, Mr. ROGERS of Texas, Mr. METCALF, Mr. SAYLOR, and Mr. DAWSON of Utah were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4853) to authorize the sale of certain land in Alaska to the Pacific Northern Timber Co.

The message also announced that the House had passed the following joint

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

resolutions, in which it requested the concurrence of the Senate:

H. J. Res. 157. Joint resolution to establish a Commission on Government Security;

H. J. Res. 359. Joint resolution to authorize the designation of October 22, 1955, as National Olympic Day; and

H. J. Res. 365. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1955.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

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

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; and

S. J. Res. 85. Joint resolution to extend for temporary periods certain housing programs, the Small Business Act of 1953, and the Defense Production Act of 1950.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Minerals of the Committee on Interior and Insular Affairs, the Subcommittee on Internal Security, the Banking and Currency Committee, and the Subcommittee on Investigations of the Committee on Government Operations were authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, as the Senate meets today following an adjournment there is, of course, a morning hour. I ask unanimous consent that during the morning hour there be the usual 2-minute limitation on statements.

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

Mr. JOHNSON of Texas. Mr. President, 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.

DEPARTMENT OF DEFENSE APPROPRIATIONS — CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the Defense Department conference report. The distinguished chairman of the committee [Mr. CHAVEZ] is on the floor. It is a bill which is extremely important, and I ask that the conference report may be proceeded with immediately.

Mr. CHAVEZ. Mr. President, I submit a 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. 6042) making appropriations for the Department of Defense for the fiscal year ending June 30, 1956, and for other purposes. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 30, 1955, pp. 9600–9601, CONGRESSIONAL RECORD.)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

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

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6042, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 30, 1955.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 6 and 2 to the bill (H. R. 6042) entitled "An act making appropriations for the Department of Defense for the fiscal year endin June 30, 1956, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 5, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "and in addition not to exceed $50,000,000 to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense and to be derived by transfer from such appropriations available to the Department of Defense for obligation during the current fiscal year as the Secretary of Defense may designate."

That the House recede from its disagreement to amendment numbered 33 to said bill, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 638. No part of the funds appropriated in this act may be used for the disposal or transfer by contract or otherwise of work that has been for a period of 3 years or more performed by civilian personnel of the Department of Defense unless justified to the Appropriations Committees of the Senate and House of Representatives, at least 90 days in advance of such disposal or transfer, that its discontinuance is economically sound and the work is capable of performance by a contractor without danger to the national security: *Provided*, That no such disposal or transfer shall be made if disapproved by either committee within the 90-day period by written notice to the Secretary of Defense."

Mr. CHAVEZ. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate Nos. 5 and 33.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

Mr. CHAVEZ. I wish to take this opportunity to thank the members of the Senate Appropriations Committee—both Democrats and Republicans—for the splendid assistance which I received during the consideration of the Defense bill. With their cooperation, we are passing today the largest peacetime appropriation bill in the history of the United States. I also wish to thank the members of the staff for the fine work which they have done on the bill. In addition, I wish to thank the General Accounting Office for lending to the committee the services of Messrs. Grandison G. Allen and Mr. Arthur W. Stewartson who were of so much assistance during the consideration of the bill.

Mr. President, I ask unanimous consent to have printed at this point in the proceedings a chart with reference to the bill.

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

Congressional action on H. R. 6042, the Department of Defense appropriation bill for fiscal year 1956

Department and appropriation title (1)	Appropriations, 1955 (2)	Original 1956 budget estimate (3)	President's amended 1956 request (4)	House action (5)	Senate action (6)	Conference action (7)
TITLE I. OFFICE OF THE SECRETARY OF DEFENSE						
Salaries and expenses, OSD	$12,250,000	$12,250,000	$12,250,000	$12,000,000	$12,250,000	$12,250,000
Salaries and expenses, OPI	500,000	500,000	500,000	400,000	420,000	420,000
Total, direct congressional appropriations and new obligational authority	12,750,000	12,750,000	12,750,000	12,400,000	12,670,000	12,670,000
TITLE II. INTERSERVICE ACTIVITIES						
Claims	7,680,000	11,930,000	11,930,000	11,930,000	11,930,000	11,930,000
Contingencies	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000

Congressional action on H. R. 6042, the Department of Defense appropriation bill for fiscal year 1956—Continued

Department and appropriation title (1)	Appropriations, 1955 (2)	Original 1956 budget estimate (3)	President's amended 1956 request (4)	House action (5)	Senate action (6)	Conference action (7)
TITLE II. INTERSERVICE ACTIVITIES—Continued						
Emergency fund	$25,000,000	$35,000,000	$35,000,000	$25,000,000	[1] $35,000,000	[2] $35,000,000
Reserve tools and facilities		100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Retired pay	404,500,000	440,000,000	495,000,000	495,000,000	495,000,000	495,000,000
Salaries and expenses, Court of Military Appeals	320,000	320,000	320,000	320,000	320,000	320,000
Construction of ships, MATS	50,000,000					
Total, direct congressional appropriations and new obligational authority	527,500,000	627,250,000	682,250,000	672,250,000	682,250,000	682,250,000
TITLE III. DEPARTMENT OF THE ARMY						
Military personnel, Army	4,150,479,000	3,460,000,000	3,688,600,000	3,679,095,000	3,679,095,000	3,679,095,000
Maintenance and operations, Army	2,795,722,986	3,033,881,000	3,065,131,000	2,831,019,000	2,831,019,000	2,831,019,000
Procurement and production						
Military construction, Army Reserve Forces	15,000,000	31,611,000	31,611,000	31,611,000	31,611,000	31,611,000
Reserve personnel, Army	90,000,000	130,289,000	141,986,000	141,589,000	141,589,000	141,589,000
Army National Guard	218,530,000	294,800,000	308,239,000	308,239,000	308,239,000	308,239,000
Research and development, Army	345,000,000	333,000,000	333,000,000	333,000,000	333,000,000	333,000,000
National Board for Promotion of Rifle Practice, Army	100,000	150,000	150,000	265,000	500,000	400,000
Operation and maintenance, Alaska Communication System	4,235,000	5,269,000	5,269,000	5,000,000	5,000,000	5,000,000
Total, direct congressional appropriations and new obligational authority	7,619,066,986	7,289,000,000	7,573,980,000	7,329,818,000	7,330,053,000	7,329,953,000
TITLE IV. DEPARTMENT OF THE NAVY						
Military personnel, Navy	2,417,000,000	2,306,267,000	2,490,590,000	2,486,109,900	2,486,109,900	2,486,109,900
Reserve personnel, Navy	78,100,000	93,943,000	91,811,000	91,811,000	91,811,000	91,811,000
Navy personnel, general expenses	75,030,000	83,000,000	83,000,000	83,000,000	83,000,000	83,000,000
Military personnel, Marine Corps	612,180,600	578,000,000	618,391,000	616,438,000	650,244,000	650,244,000
Reserve personnel, Marine Corps	16,750,000	19,031,000	20,606,000	20,606,000	20,606,000	20,606,000
Marine Corps procurement	129,974,000	286,500,000	286,500,000	286,500,000	290,190,000	290,190,000
Marine Corps troops and facilities	167,994,500	176,000,000	176,000,000	172,750,000	181,605,000	181,605,000
Aircraft and related procurement	1,973,568,000	753,000,000	753,000,000	905,602,000	905,602,000	905,602,000
Aircraft and facilities	780,895,500	814,500,000	814,500,000	809,632,000	809,632,000	809,632,000
Shipbuilding and conversion	1,042,400,000	1,317,000,000	1,317,000,000	1,387,634,000	1,387,634,000	1,387,634,000
Ships and facilities	818,681,000	786,700,000	786,700,000	779,685,000	779,685,000	779,685,000
Construction of ships	57,600,000	(3)	(3)	(3)	(3)	(3)
Procurement of ordnance and ammunition				185,842,000	185,842,000	185,842,000
Ordnance and facilities	457,436,000	188,500,000	188,500,000	182,889,000	182,889,000	182,889,000
Ordnance for new construction	34,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Cash to liquidate prior contract authority	(34,000,000)	(28,000,000)	(28,000,000)	(28,000,000)	(28,000,000)	(28,000,000)
Medical care	63,600,000	63,400,000	63,400,000	62,500,000	62,494,556	62,494,556
Civil engineering	104,294,000	122,500,000	122,500,000	120,069,700	120,069,700	120,069,700
Military construction, Naval Reserve Forces	15,000,000	28,477,000	28,477,000	28,061,400	28,061,400	28,061,400
Research and development	419,874,900	431,933,000	431,933,000	431,933,000	431,933,000	431,933,000
Servicewide supply and finance	340,300,000	298,000,000	298,000,000	295,600,000	295,600,000	295,600,000
Servicewide operations	104,570,000	82,898,000	82,898,000	94,320,000	94,320,000	94,320,000
Naval petroleum reserve	3,575,000	2,851,000	2,851,000	2,851,000	2,851,000	2,851,000
Navy military procurement		495,500,000	495,500,000			
Total, direct congressional appropriations	9,712,823,500	8,946,000,000	9,180,157,000	9,071,834,000	9,118,179,556	9,118,179,556
Less cash to liquidate prior contract authority	34,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Total, new obligational authority	9,678,823,500	8,918,000,000	9,152,157,000	9,043,834,000	9,090,179,556	9,090,179,556
TITLE V. DEPARTMENT OF THE AIR FORCE						
Aircraft and related procurement	2,760,000,000	6,100,000,000	6,100,000,000	5,950,000,000	[4] 6,306,000,000	[4] 6,306,000,000
Major procurement other than aircraft	674,364,000	400,000,000	400,000,000	350,000,000	349,862,600	349,862,600
Research and development	418,070,000	570,000,000	570,000,000	570,000,000	570,000,000	570,000,000
Maintenance and operations	3,502,792,000	3,780,000,000	3,787,974,000	3,615,500,000	[5] 3,597,496,570	[5] 3,597,496,570
Military personnel	3,356,704,000	3,440,000,000	3,679,000,000	3,670,000,000	3,680,650,000	3,680,650,000
Reserve personnel	28,000,000	40,000,000	43,563,000	43,563,000	43,563,000	43,563,000
Air National Guard	160,000,000	200,000,000	203,141,000	202,841,000	192,191,000	192,191,000
Contingencies	28,000,000					
Total, direct congressional appropriations and new obligational authority	10,927,930,000	14,530,000,000	14,783,678,000	14,401,904,000	14,739,763,170	[6] 14,739,763,170
TOTAL TITLES I, II, III, IV, AND V						
Total, direct congressional appropriations	28,800,070,486	31,405,000,000	32,232,815,000	31,488,206,000	31,882,915,726	31,882,815,726
Less cash to liquidate prior contract authority	34,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Total, new obligational authority	28,766,070,486	31,377,000,000	32,204,815,000	31,460,206,000	31,854,915,726	31,854,815,726

[1] In addition, not to exceed $200 million to be derived by transfer.
[2] In addition not to exceed $50 million to be derived by transfer.
[3] Rescission of $8,572,000 in unfinanced contract authority.
[4] Includes additional funds requested for Air Force buildings.
[5] Additional funds totaling $55 million to be derived by transfer.
[6] In addition rescissions are recommended as follows:

Appropriation title	*Amount*
Army stock fund	$700,000,000
Navy stock fund	429,000,000
Marine Corps stock fund	25,000,000
Navy industrial fund	40,000,000
Air Force stock fund	300,000,000
Air Force industrial fund	155,000,000
Total	1,649,000,000

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I now ask that the conference report on the District of Columbia appropriation bill be immediately considered.

Mr. STENNIS. Mr. President, I submit a 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. 6239) 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. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 30, 1955, pp. 9606–9608, CONGRESSIONAL RECORD.)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

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

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

Mr. STENNIS. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the amounts carried in the District of Columbia appropriation bill, under the various appropriation titles, and a comparison with the 1955 allowances.

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

District of Columbia appropriation bill for the period ending June 30, 1956

Appropriation titles	Adjusted appropriations, 1955	Budget estimates, 1956	House allowance	Senate allowance	Conference allowance
OPERATING EXPENSES					
Executive Office	$307,565	$364,900	$300,000	$364,900	$308,000
Department of General Administration	2,945,522	3,135,800	3,021,850	3,135,560	3,081,850
Office of Corporation Counsel	428,585	433,000	427,000	442,900	442,900
Compensation and retirement fund expenses	10,207,000	10,086,000	9,936,000	10,036,000	10,036,000
Regulatory agencies	933,204	[2] 991,520	958,000	991,420	967,000
Department of Occupations and Professions	264,000	264,000	240,000	253,030	248,500
Public schools	27,626,570	28,191,000	27,996,810	28,285,968	28,130,000
Public Library	1,611,000	1,641,000	1,620,000	1,641,000	1,639,300
Recreation Department	1,641,000	1,694,000	1,678,000	1,694,000	1,688,500
Metropolitan Police	12,757,520	12,829,000	12,781,000	12,826,000	12,808,000
Metropolitan Police (maintaining public order, American Legion Convention)	80,000				
Fire Department	6,266,641	6,305,000	6,257,900	6,257,900	6,257,900
Veterans' Service Center	93,000	94,200	90,000	92,200	92,200
Office of Civil Defense	150,000	154,500	75,000	100,000	75,000
Department of Vocational Rehabilitation	120,000	140,000	140,000	140,000	140,000
Courts	3,163,410	3,374,000	3,300,000	3,374,000	3,369,674
Department of Public Health	23,286,300	23,718,000	23,492,000	23,687,564	23,592,000
Department of Corrections	4,374,674	4,589,000	4,520,000	4,533,640	4,526,820
Department of Public Welfare	8,917,961	10,032,000	9,600,000	9,600,000	9,600,000
Department of Buildings and Grounds	1,675,642	1,704,000	1,687,000	1,687,000	1,687,000
Office of the Surveyor	149,200	163,500	148,920	158,920	153,920
Department of Licenses and Inspections	1,378,000	1,616,000	1,482,000	1,589,276	1,546,276
Department of Highways	5,768,600	6,105,000	5,876,000	6,057,981	5,967,000
Department of Vehicles and Traffic	1,002,959	1,128,000	1,094,000	1,119,500	1,107,000
Motor-Vehicle Parking Agency	235,406	561,300	350,000	350,000	350,000
Department of Sanitary Engineering	9,732,740	10,339,000	10,255,000	10,291,890	10,285,000
Washington aqueduct	2,127,000	2,122,000	2,120,000	2,120,000	2,120,000
National Guard	114,800	122,300	114,800	122,300	119,800
National Capital Parks	2,344,000	2,415,000	2,389,000	2,389,000	2,389,000
National Zoological Park	645,000	669,300	645,000	669,300	669,300
Judgments and claims	82,693				
Total, operating expenses:					
General fund	117,537,886	120,865,670	118,716,730	120,143,168	119,521,390
Highway fund	6,635,471	7,096,500	7,071,700	7,107,181	7,089,700
Water fund	4,720,303	4,965,300	4,963,300	4,947,228	4,958,300
Sanitary sewage works fund	1,250,686	1,447,950	1,447,950	1,418,072	1,432,950
Motor-vehicle parking fund	285,646	606,900	395,600	395,600	395,600
Grand total, operating expenses, all funds	130,429,992	134,982,320	132,595,280	134,011,249	133,397,940
CAPITAL OUTLAY					
District debt service	250,000	443,800	443,800	443,800	443,800
Public building construction	15,712,000	8,081,900	5,235,400	7,544,400	7,544,400
Miscellaneous	992,500	4,162,000	3,760,300	1,260,300	1,260,300
Department of Highways	11,810,000	14,185,000	11,205,000	13,535,000	13,535,000
Department of Sanitary Engineering	7,491,000	10,397,000	9,662,000	9,662,000	9,662,000
(Liquidation of contract authorization)	270,000				
Washington aqueduct	3,900,000	3,210,000	3,000,000	3,000,000	3,000,000
Total, capital outlay:					
General fund	20,960,500	17,804,900	15,056,700	13,865,700	13,865,700
Highway fund	11,410,000	13,785,000	10,805,000	13,135,000	13,135,000
Water fund	5,265,000	5,767,800	5,444,800	5,444,800	5,444,800
Sanitary sewage works fund	2,790,000	3,122,000	3,000,000	3,000,000	3,000,000
Grand total, capital outlay	40,425,500	40,479,700	34,306,500	35,445,500	35,445,500
Recapitulation by funds:					
General fund	138,498,386	138,670,570	133,773,430	134,008,868	133,387,090
Highway fund	18,045,471	20,881,500	17,876,700	20,242,181	20,224,700
Water fund	9,985,303	10,733,100	10,408,100	10,392,028	10,403,100
Sanitary sewage works fund	4,040,686	4,569,950	4,447,950	4,418,072	4,432,950
Motor-vehicle parking fund	285,646	606,900	395,600	395,600	395,600
Total, all funds	170,855,492	[1] 175,462,020	166,901,780	169,456,749	168,843,440

[1] Includes $56,720 in S. Doc. 50.

CONTINGENT EXPENSES OF THE HOUSE OF REPRESENTATIVES

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate House Joint Resolution 365, making an additional appropriation for the fiscal year ending June 30, 1955, which was read twice by its title.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 365, which relates to the management of the House.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none.

There being no objection, the Senate proceeded to consider House Joint Resolution 365, making an additional appropriation for the fiscal year ending June 30, 1955.

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

Mr. HAYDEN. I yield.

Mr. KNOWLAND. This is a measure which the Senator discussed with me. It deals with an appropriation for the House of Representatives, and the Senate ordinarily agrees to such measures as a matter of comity between the two Houses.

Mr. HAYDEN. The joint resolution provides for an additional amount of $12,000 for the House folding room.

The ACTING PRESIDENT pro tempore. The joint resolution is open to amendment.

If there be no amendment to be offered, the question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 365) was ordered to a third reading, read the third time, and passed.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS (S. Doc. No. 59)

A communication from the President of the United States, transmitting proposed

supplemental appropriations for the Department of Defense in the amount of $12,300,000, fiscal year 1956 (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

REPORT ON PAPERWORK MANAGEMENT, PART II: THE NATION'S PAPERWORK FOR THE GOVERNMENT

A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Paperwork Management, Part II: The Nation's Paperwork for the Government, dated June 1955 (with an accompanying report); to the Committee on Government Operations.

REPORTS ON WATER RESOURCES AND POWER

A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report of that Commission on water resources and power, dated June 1955 (with an accompanying report); to the Committee on Government Operations.

A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report of that Commission's Task Force on Water Resources and Power dated June 1955 (with an accompanying report); to the Committee on Government Operations.

FINAL REPORT OF COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT

A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, the final report of that Commission, dated June 1955 (with an accompanying report); to the Committee on Government Operations.

VALIDATION OF PAYMENTS OF CERTAIN MILEAGE

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to validate payments of mileage made to United States Army and Air Force personnel pursuant to permanent change of station orders authorizing travel by commercial aircraft, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

Resolutions of the House of Representatives of the General Court of the Commonwealth of Massachusetts; to the Committee on Interstate and Foreign Commerce:

"Resolutions Memorializing Congress Relative to the Closing of the Gurnet Point Lifesaving Station

"Whereas the Coast Guard has for many years maintained a Coast Guard station at Gurnet Point in Plymouth; and

"Whereas many lives have been saved by the personnel stationed at this station; and

"Whereas the boating population is steadily increasing in this area; and

"Whereas this station was deactivated on May 29: Now, therefore, be it

"*Resolved*, That the House of Representatives of the General Court of Massachusetts urges the Members of Congress from this Commonwealth to take the necessary steps to cause the immediate reactivation of this important and necessary lifesaving medium; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States and all Members of Congress from this Commonwealth."

PROHIBITION OF ALCOHOLIC BEVERAGE ADVERTISING IN INTERSTATE COMMERCE—PETITION

Mr. CURTIS. Mr. President, I have received a petition signed by a group of citizens living in Lincoln, Nebr., praying for the enactment of legislation to prohibit alcoholic beverage advertising in interstate commerce. I ask unanimous consent that the petition, together with the names and addresses of those who signed it, be printed in the RECORD.

There being no objection, the petition, together with the names and addresses, was ordered to be printed in the RECORD, as follows:

To our Senator, CARL CURTIS:

We, your constituents, earnestly beg you to help us bring up mentally and morally sound children, and to conquer the juvenile delinquency now in our midst, by exercising the powers of Congress to get alcoholic beverage advertising off the air and out of the channels of interstate commerce and thus protect the rights of States to prevent advertising within their borders, of commodities which have been declared unlawful either by their legislatures or by the people exercising the rights of local option granted them under State law.

Margaret A. Lindquist, 2903 North 43, Lincoln; Lillian A. Benton, 5110 Madison, Lincoln, Nebr.; Agnes C. Nelson, 5234 Adams, Lincoln, Nebr.; Bessie M. Gilmer, 2904 North 50, Lincoln, Nebr.; Deone W. Welch, 2313 North 67th Street, Lincoln, Nebr.; Edna E. Sautter, 5226 Walker, Lincoln, Nebr.; Kathryn Beevis, 2941 North 48, Lincoln, Nebr.; Elizabeth McElroy, 4814 Garland Street, Lincoln, Nebr.; Jessie B. McKenzie, 4426 Knox, Street; Ruth Burch Smith, 4342 St. Paul Avenue, Lincoln, Nebr.; Florence A. Earl, 2933 North 53, Lincoln, Nebr.; Edith F. Brown, 5113 Cleveland, Lincoln, Nebr.; Grace N. Spidel, 2840 North 56th, Lincoln, Nebr.; Nettie M. Short, 3346 O Street, Lincoln, Nebr.; Elsie F. Moore, 2936 North 54, Lincoln, Nebr.; Edith Lasure, 5029 Cleveland Avenue, Lincoln, Nebr.; Bertha G. Brokaw, 2914 North 53d Street, Lincoln, Nebr.; C. Marie McDonald, 4604 Madison Avenue, Lincoln, Nebr.; Dorothy D. Dappen, 5401 Leighton Avenue, Lincoln, Nebr.; Amy Kennedy, 5019 Huntington Avenue, Lincoln, Nebr.; Pearl Anderson, 4419 Madison, Lincoln, Nebr.; Lilly Hedges, 4828 Huntington, Nebr.; Blanche A. Bounds, 2301 North 50, Lincoln, Nebr.; Mrs. Linnie Deles Deririeux, 820 South 30th; Mrs. Ottalie Somers, 4943 Huntington, Lincoln; Miss Harriet H. Frohm, 2926 North 51st, Lincoln, Nebr.; Carl M. Davidson, 2702 North 49th, Lincoln, Nebr.; Mrs. Fasta Harrington, 5102 Madison Avenue, Lincoln, Nebr.; Mrs. Vira M. Davidson, 2702 North 49th, Lincoln, Nebr.; Mrs. Minnie Lehr, 2926 North 51, Lincoln, Nebr.; Mrs. Maude H. Williams, 5302 Greenwood, Lincoln, Nebr.; Mrs. Phoebe E. George, 5036 Walker, Lincoln, Nebr.; Edna P. Neeley, 1845 South 48, Lincoln, Nebr.; Laura I. Boner, 4918 Knox, Lincoln, Nebr.; Alice C. Moore, 2936 North 54th Street, Lincoln, Nebr.; Ella N. Pritchett, 5714 Huntington Avenue, Lincoln, Nebr.; Nan D. Grossoehme, 5702 Huntington Avenue, Lincoln, Nebr.; Wm. Grossoehme, 5702 Huntington Avenue, Lincoln, Nebr.

ONE HUNDRED PERCENT PARITY ON BASIC AGRICULTURAL COMMODITIES—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the Gowan Cooperative Association of Gowan, Minn., at their annual meeting on June 8, 1955, in support of 100 percent parity on basic agricultural commodities.

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

JUNE 9, 1955.

Hon. Senator H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: The membership of the Gowan Cooperative Association unanimously passed a resolution at their annual meeting June 8, 1955, as follows:

"The flexible price-support program of the present administration is unfair and is creating an undue hardship on the dairy farmer. It has cut his purchasing power to the extent that where a family-size farmer could make a fair living on 15 good cows now cannot make ends meet with 25. Practically everything we buy from groceries, clothes, insurance, gas, machinery, etc., has gone up in price, but what we sell is often below 75 percent parity.

We feel that if the Government continues to subsidize big business to the tune of over a billion dollars a year we are not asking for a handout when we ask for 100 percent equality (parity).

Let's give the small family farmer a fair chance, by so doing we also help the small-business man.

Yours truly,

JULIA A. RANDA,
Secretary.

RESOLUTIONS OF BOARD OF DIRECTORS OF WILD RICE ELECTRIC COOPERATIVE, INC., MAHNOMEN, MINN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, two resolutions adopted by the board of directors of Wild Rice Electric Cooperative, Inc., of Mahnomen, Minn., on May 31, 1955.

One of these resolutions supports the Southwestern Electric Cooperative in Oklahoma in their efforts to maintain and restore their old contract.

The second resolution is in support of the building of Hells Canyon Dam.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION 1—CONTRACT, SOUTHWESTERN COOPERATIVES

Whereas, the Southwestern Electric Cooperatives in Oklahoma and three adjoining States are in need of support in their fight to maintain and restore their old contract: Now, therefore, be it

Resolved, That the Wild Rice Electric Cooperative, Inc., support the restoration of this contract and notices be forwarded to the Senators and Representatives of Minnesota asking their support in this matter.

RESOLUTION 2—HELLS CANYON DAM

Whereas Wild Rice Electric Cooperative, Inc., feels that it is their duty to support

the Western States in their fight for the Hells Canyon Dam: Now, therefore, be it

Resolved, That the board of directors of Wild Rice Electric Cooperative, Inc., go on record as supporting the Hells Canyon Dam and a copy of this resolution be forwarded to all Senators and Representatives from the State of Minnesota for their guidance.

FEDERAL TAX ON GASOLINE—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted at the grand council session of the United Travelers of America, held in St. Cloud, Minn., from June 8 to 11, 1955, expressing their opposition to any further increases in the Federal gasoline tax.

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

UNITED COMMERCIAL TRAVELERS,
GRAND COUNCIL, MINNESOTA-NORTH DAKOTA,
June 20, 1955.

Hon. HUBERT HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: At the grand council session of the United Commercial Travelers of America held in St. Cloud last week, the following resolution was unanimously adopted and we urge your support in defeating the proposed legislation.

Very truly yours,
WM. J. MCCALLUM, *Secretary.*

Whereas certain Members of Congress of the United States have proposed an increase in the present two cents per gallon gasoline tax for the purpose of financing an interstate highway system; and

Whereas the Federal gasoline tax is a temporary levy whose proceeds have never been connected with Federal aid to highways and should not now be so linked; and

Whereas the purpose for this expanded Federal highway system is related to national and civil defense and should be paid from the general revenues of the broadest applications; and

Whereas travel allowances granted to traveling men and other commercial representatives do not normally cover the direct costs of increase which would result from additional Federal gasoline taxes; and

Whereas gasoline is already taxed at a rate many times heavier than most luxuries despite regular recognition that gasoline is basic to our economy: Now, therefore, be it

Resolved, That the Minnesota-North Dakota Grand Council of United Commercial Travelers hereby go on record as being opposed to any further increases in the Federal gasoline tax; and be it further

Resolved, That copies of this resolution be forwarded to the Representatives and Senators in Congress from our States.

REGULATION OF COMPANIES DISTRIBUTING NATURAL GAS—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution from the Building Trades Council of the City of St. Paul, Minn., expressing their opposition to the bills before Congress which would eliminate regulation of companies carrying natural gas to Minnesota by the gas pipeline companies.

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

Whereas the Building Trades Council of the City of St. Paul, Minn., a voluntary organization composed of representatives from all of the American Federation of Labor unions representing the building and construction trades in this city, has been advised that the Interstate and Foreign Commerce Committee of the House of Representatives of the United States, by a 16 to 15 vote, has recommended to pass the so-called Harris bill, a legislative proposal designed to amend the Natural Gas Act of 1938 in such a manner as to provide for the exemption from the jurisdiction of the Federal Power Commission, and from all Federal regulation and control, of the so-called independent producers in the natural-gas field in connection with the transmission of gas in interstate commerce by interstate pipeline carrier; and

Whereas said council is further advised that a companion bill to the Harris Act has been introduced in the Senate of the United States, and that hearings have been held before the Senate Interstate Commerce Committee thereon; and

Whereas in the State of Minnesota we have no native sources of fuel, and therefore must rely on the transportation of fuel from considerable distances; and

Whereas the citizens of St. Paul, Minn., are served in the supply of natural gas for home and industrial use by the Northern States Power Co., the local distributing company, which purchases this supply of gas from that certain interstate pipeline carrier, the Northern Natural Gas Co.; and

Whereas since the advent of natural gas into this community the use thereof for industrial and home consumption has grown to a point where, at the present, there is in excess of 24 million M c. f. of natural gas used per annum in this city; and

Whereas upon a study of the proposed legislation embodied in the Harris Act which is designed to remove the production segment of the gas industry from all control by regulation, the Building Trades Council of the City of St. Paul is sincerely of the mind that action by the Federal Congress to remove this part of the gas industry from all regulation can only lead to a higher cost of natural gas for industrial and home use to the local citizens and corporations resident in the City of St. Paul, and users of natural gas; and

Whereas it appears self-evident to this council that the retention of control by the Federal Power Commission over the producers of natural gas, insofar as that cost is reflected in a part of the ultimate cost to the users in the city of St. Paul, does not preclude the recognition by the Federal Power Commission of all factors involved in the process of production and the ascribing of proper weight to such factors to the end that such producers can receive a fair and reasonable price for said gas: Now, therefore, be it

Resolved, in meeting assembled, by the Building Trades Council of the City of St. Paul, speaking in behalf of its full membership, That it does hereby express opposition to any proposed legislation in Congress seeking to exempt the independent producers from regulation and control by the Federal Government, through the Federal Power Commission and the said Commission's regulation and control of interstate pipeline carriers carrying the said natural gas in interstate commerce; and be it further

Resolved, That the proper officers of the Building Trades Council of the City of St. Paul are hereby authorized and directed to dispatch copies of this resolution to the Executive Secretary of the Executive Committee of the American Federation of Labor, and to the Honorable Senators from the State of Minnesota, and to each of the Honorable Representatives from the State of Minnesota in the House of Representatives of the United States.

ROUTES OF CERTAIN HIGHWAYS IN MINNESOTA—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a joint resolution adopted by the Mabel Lions Club and the Mabel Business Association of Mabel, Minn., requesting the Federal Government to change the route of United States Highway No. 16 to follow the route of the present State Highway 44 from Hokah, Minn., to the junction with United States No. 52 north of Prosper, and thence along No. 52 to Preston, Minn.

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

Whereas it is our understanding that plans are being discussed for the rebuilding of present U. S. Highway No. 16 between La Crosse, Wis., and Preston, Minn., and possibly other points both east and west of those two cities, and

Whereas the present route 16 between Hokah, Minn., and the Junction with United States No. 52 east of Preston is not paved with concrete; would have to be rebuilt almost in its entirety to serve as a modern highway; winds through very hilly terrain not suitable for modern highway construction except at excessive cost; has many slopes and bluffs blocking the sun in the wintertime and tending to cause icy spots on the roadway, making it an extremely risky route especially for through travelers who are not familiar with it; would require extensive purchase of right-of-way at great cost in order to be straightened enough for modern highway use; in many places is on low ground subject to frequent flooding and requiring expensive bridges; and

Whereas Minnesota State Highway No. 44 is already an excellent modern concrete highway located on far more favorable terrain; is not subject to flooding; would require far less expense for straightening and purchase of right-of-way if expansion were desired; generally provides a much quicker and easier driving route because of the more level topography; not only better serves those users traveling east and west but also provides excellent facilities for those persons traveling between Iowa and Wisconsin and/or points in Minnesota; and

Whereas most drivers who are familiar with both routes consistently use No. 44 in preference to No. 16 whenever possible because of the easier terrain and conditions more suitable to distance driving; and

Whereas the funds available for highway construction are limited and should be applied where the taxpayers and the public in general will get the most for their money: Now, therefore, be it

Resolved, That the Mabel Lions Club and the Mabel Business Association request the appropriate officials in the Federal Government and the Minnesota highway department to change the route of United States Highway No. 16 to follow the route of the present State Highway 44 from Hokah, Minn., to the junction with United States No. 52 north of Prosper, Minn., and thence along No. 52 to Preston. The Mabel Lions Club and the Mabel Business Association feel that this change would eliminate a weak link in No. 16, putting in its place a stretch equal to or above the standard of the rest of the

route, without incurring any construction cost whatsoever. It further would contribute tremendously to the economy and practicality of any contemplated expansion of United States Highway 16 to superhighway status.

MABEL BUSINESS ASSOCIATION,
PAUL SOLTOW, *Secretary.*
MABEL LIONS CLUB,
CARL V. LIND, *Secretary.*

MAY 25, 1955.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H. Con. Res. 109. Concurrent resolution authorizing the appointment of a congressional delegation to attend the North Atlantic Treaty Organization Parliamentary Conference; without amendment (Rept. No. 693).

By Mr. STENNIS, from the Committee on Armed Services:

H. R. 6829. A bill to authorize certain construction at military, naval, and Air Force installations, and for other purposes; with an amendment (Rept. No. 694).

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

H. R. 191. A bill to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes; with an amendment (Rept. No. 695).

DEFENSE PRODUCTION ACT AMENDMENTS OF 1955—REPORT OF A COMMITTEE

Mr. FREAR. Mr. President, from the Committee on Banking and Currency, I report favorably an original bill to amend the Defense Production Act of 1950, as amended, and I submit a report (No. 696) thereon.

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

The bill (S. 2391) to amend the Defense Production Act of 1950, as amended, reported by Mr. FREAR, from the Committee on Banking and Currency, was read twice by its title and ordered to be placed on the calendar.

INCREASED LIMIT OF EXPENDITURES FOR HEARINGS BEFORE COMMITTEE ON ARMED SERVICES—REPORT OF A COMMITTEE

Mr. RUSSELL, from the Committee on Armed Services, reported an original resolution (S. Res. 119) increasing the limit of expenditures for hearings before the Committee on Armed Services, which was ordered to be placed on the calendar, as follows:

Resolved, That the Committee on Armed Services hereby is authorized to expend from the contingent fund of the Senate, during the 84th Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

APPOINTMENT OF SELECT COMMITTEE ON SMALL BUSINESS—REPORT OF A COMMITTEE

Mr. GREEN. Mr. President, from the Committee on Rules and Administration, I report favorably, an original resolution providing for the manner of the appointment of the Select Committee on Small Business.

The ACTING PRESIDENT pro tempore. The resolution will be received and placed on the calendar.

The resolution (S. Res. 120) was placed on the calendar, as follows:

Resolved, That the chairman and members of the Select Committee on Small Business, created by Senate Resolution 58, 81st Congress, 2d session, shall be appointed in the same manner and at the same time as the chairmen and members of the standing committees of the Senate at the beginning of each Congress.

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on Federal employment and pay for the month of May 1955. In accordance with the practice of several years' standing, I request unanimous consent to have the report printed in the RECORD, together with a statement by me.

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

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, MAY AND APRIL 1955, AND PAY, APRIL AND MARCH 1955

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for May 1955 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In May numbered—	In April numbered—	Increase (+) or decrease (−)	In April was—	In March was—	Increase (+) or decrease (−)
Total [1]	2,366,854	2,361,169	+5,685	$787,663	$832,665	−$45,002
Agencies exclusive of Department of Defense	1,181,897	1,178,779	+3,118	395,418	410,517	−15,099
Department of Defense	1,184,957	1,182,390	+2,567	392,245	422,148	−29,903
Inside continental United States	2,145,590	2,140,281	+5,309			
Outside continental United States	221,264	220,888	+376			
Industrial employment	717,685	717,651	+34			
Foreign nationals	329,380	338,302	−8,922	31,347	29,564	+1,783

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during May 1955, and comparison with April 1955, and pay for April 1955, and comparison with March 1955*

Department or agency	Personnel				Pay (in thousands)			
	May	April	Increase	Decrease	April	March	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	77,635	74,234	3,401		$22,626	$23,232		$606
Commerce [1]	45,219	44,840	379		17,108	18,248		1,140
Health, Education, and Welfare	39,655	39,537	118		14,013	15,088		1,075
Interior	52,374	51,215	1,159		18,307	20,123		1,816
Justice	30,396	30,278	118		12,352	13,307		955
Labor	5,048	4,989	59		2,029	2,239		210
Post Office	506,137	506,896		759	164,146	161,933	$2,213	
State	20,759	20,673	86		6,842	7,585		743
Treasury	81,692	82,946		1,254	32,526	33,309		783

[1] May figure includes 1,075 seamen on the rolls of the Maritime Administration and their pay.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during May 1955, and comparison with April 1955, and pay for April 1955, and comparison with March 1955*—Continued

Department or agency	Personnel				Pay (in thousands)			
	May	April	Increase	Decrease	April	March	Increase	Decrease
Executive Office of the President:								
White House Office	281	281			$147	$152		$5
Bureau of the Budget	430	431		1	253	273		20
Council of Economic Advisers	32	32			20	21		1
Executive Mansion and Grounds	70	70			23	25		2
National Security Council [2]	27	26	1		16	17		1
Office of Defense Mobilization	301	282	19		147	161		14
President's Advisory Committee on Government Organization	5	5			3	3		
President's Commission on Veterans' Pensions	12	3	9		1	1		
Independent agencies:								
Advisory Committee on Weather Control	14	11	3		5	6		1
Alexander Hamilton Bicentennial Commission	3	5		2	2	2		
American Battle Monuments Commission	809	808	1		101	103		2
Atomic Energy Commission	6,034	5,982	52		2,845	3,082		237
Board of Governors of the Federal Reserve System	590	589	1		250	273		23
Civil Aeronautics Board	524	532		8	270	295		25
Civil Service Commission	3,842	3,835	7		1,534	1,716		182
Commission of Fine Arts	10	10			1	1		
Commission on Intergovernmental Relations	56	59		3	23	25		2
Defense Transport Administration	17	17			9	9		
Export-Import Bank of Washington	145	144	1		78	82		4
Farm Credit Administration	1,085	1,089		4	486	536		50
Federal Civil Defense Administration	741	727	14		350	379		29
Federal Coal Mine Safety Board of Review	8	8			4	4		
Federal Communications Commission	1,071	1,068	3		509	560		51
Federal Deposit Insurance Corporation	1,110	1,105	5		472	512		40
Federal Mediation and Conciliation Service	355	354	1		220	240		20
Federal Power Commission	615	612	3		292	329		37
Federal Trade Commission	575	574	1		293	327		34
Foreign Claims Settlement Commission	159	163		4	67	83		16
Foreign Operations Administration	6,519	[3] 6,460	59		2,996	3,115		119
General Accounting Office	5,683	5,705		22	2,299	2,528		229
General Services Administration	25,778	25,690	88		8,030	8,692		662
Government Contract Committee	17	16	1		5	5		
Government Printing Office	6,780	6,814		34	2,680	2,966		286
Housing and Home Finance Agency	10,953	10,821	132		4,485	4,878		393
Indian Claims Commission	13	13			9	10		1
Interstate Commerce Commission	1,797	1,791	6		831	901		70
Jamestown-Williamsburg-Yorktown Celebration Commission	4	3	1		2	2		
John Marshall Bicentennial Celebration Commission [4]	2		2					
National Advisory Committee for Aeronautics	7,348	7,284	64		3,120	3,375		255
National Capital Housing Authority	277	276	1		89	98		9
National Capital Planning Commission	22	21	1		10	11		1
National Gallery of Art	316	315	1		90	99		9
National Labor Relations Board	1,139	1,141		2	567	626		59
National Mediation Board	107	113		6	68	80		12
National Science Foundation	218	167	51		83	103		20
National Security Training Commission	7	5	2		4	4		
Panama Canal	15,329	15,461		132	3,131	3,412		281
Railroad Retirement Board	2,274	2,364		90	808	889		81
Renegotiation Board	536	538		2	295	366		71
Rubber Producing Facilities Disposal Commission	19	19			11	14		3
St. Lawrence Seaway Development Corporation	26	24	2		15	16		1
Securities and Exchange Commission	671	677		6	354	385		33
Selective Service System	7,099	7,121		22	1,579	1,712		13
Small Business Administration	740	741		1	375	362	$13	
Smithsonian Institution	661	646	15		211	232		21
Soldiers' Home	1,003	1,010		7	189	204		15
Subversive Activities Control Board	32	32			19	22		3
Tariff Commission	198	199		1	102	104		2
Tax Court of the United States	140	141		1	83	86		3
Tennessee Valley Authority	20,208	20,576		368	8,684	9,604		920
United States Information Agency	10,093	9,909	184		2,437	2,472		35
Veterans' Administration	178,052	178,256		204	53,387	58,863		5,476
Total, excluding Department of Defense	1,181,897	1,178,779	6,051	2,933	395,418	410,517	2,226	17,325
Net change, excluding Department of Defense			3,118				15,099	
Department of Defense:								
Office of the Secretary of Defense	1,971	1,923	48		974	1,050		76
Department of the Army	466,252	465,077	1,175		144,555	155,529		10,974
Department of the Navy	408,667	409,053		386	146,463	156,708		10,245
Department of the Air Force	308,067	306,337	1,730		100,253	108,861		8,608
Total, Department of Defense	1,184,957	1,182,390	2,953	386	392,245	422,148		29,903
Net change, Department of Defense			2,567				29,903	
Grand total, including Department of Defense	2,366,854	2,361,169	9,004	3,319	787,663	832,665	2,226	47,228
Net change including Department of Defense			5,685				45,002	

[2] Exclusive of personnel and pay of the Central Intelligence Agency.
[3] Revised on basis of later information.
[4] New agency, created pursuant to Public Law 581, 83d Cong.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during May 1955, and comparison with April 1955*

Department or agency	May	April	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	76,339	73,096	3,243	
Commerce [1]	42,169	41,816	353	
Health, Education, and Welfare	39,109	38,989	120	
Interior	46,163	45,244	919	
Justice	29,846	29,734	112	
Labor	4,908	4,874	34	
Post Office	503,793	504,552		759
State	5,840	5,804	36	
Treasury	80,707	81,959		1,252
Executive Office of the President:				
White House Office	281	281		
Bureau of the Budget	430	431		1
Council of Economic Advisers	32	32		
Executive Mansion and Grounds	70	70		
National Security Council [2]	27	26	1	
Office of Defense Mobilization	301	282	19	
President's Advisory Committee on Government Organization	5	5		
President's Commission on Veterans' Pensions	12	3	9	

[1] May figure includes 1,075 seamen on the rolls of the Maritime Administration.
[2] Exclusive of personnel of the Central Intelligence Agency.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during May 1955, and comparison with April 1955*—Continued

Department or agency	May	April	Increase	Decrease
Independent agencies:				
Advisory Committee on Weather Control	14	11	3	
Alexander Hamilton Bicentennial Commission	3	5		2
American Battle Monuments Commission	16	17		1
Atomic Energy Commission	6,018	5,965	53	
Board of Governors of the Federal Reserve System	590	589	1	
Civil Aeronautics Board	521	528		7
Civil Service Commission	3,825	3,823	2	
Commission of Fine Arts	10	10		
Commission on Intergovernmental Relations	56	59		3
Defense Transport Administration	17	17		
Export-Import Bank of Washington	145	144	1	
Farm Credit Administration	1,074	1,078		4
Federal Civil Defense Administration	741	727	14	
Federal Coal Mine Safety Board of Review	8	8		
Federal Communications Commission	1,044	1,040	4	
Federal Deposit Insurance Corporation	1,109	1,104	5	
Federal Mediation and Conciliation Service	355	354	1	
Federal Power Commission	615	612	3	
Federal Trade Commission	575	574	1	
Foreign Claims Settlement Commission	159	163		4
Foreign Operations Administration	1,652	1,682		30
General Accounting Office	5,626	5,653		27
General Services Administration	25,673	25,584	89	
Government Contract Committee	17	16	1	
Government Printing Office	6,780	6,814		34
Housing and Home Finance Agency	10,809	10,687	122	
Indian Claims Commission	13	13		
Interstate Commerce Commission	1,797	1,791	6	
Jamestown-Williamsburg-Yorktown Celebration Commission	4	3	1	
John Marshal Bicentennial Celebration Commission [3]	2		2	
National Advisory Committee for Aeronautics	7,348	7,284	64	
National Capital Housing Authority	277	276	1	
National Capital Planning Commission	22	21	1	
Independent agencies—Continued				
National Gallery of Art	316	315	1	
National Labor Relations Board	1,117	1,119		2
National Mediation Board	107	113		6
National Science Foundation	218	167	51	
National Security Training Commission	7	5	2	
Panama Canal	541	557		16
Railroad Retirement Board	2,274	2,364		90
Renegotiation Board	536	538		2
Rubber Producing Facilities Disposal Commission	19	19		
St. Lawrence Seaway Development Corporation	26	24	2	
Securities and Exchange Commission	671	677		6
Selective Service System	6,901	6,923		22
Small Business Administration	740	741		1
Smithsonian Institution	659	644	15	
Soldiers' Home	1,003	1,010		7
Subversive Activities Control Board	32	32		
Tariff Commission	198	199		1
Tax Court of the United States	140	141		1
Tennessee Valley Authority	20,208	20,576		368
United States Information Agency	2,325	2,297	28	
Veterans' Administration	176,782	176,983		201
Total, excluding Department of Defense	1,121,767	1,119,294	5,320	2,847
Net increase, excluding Department of Defense			2,473	
Department of Defense:				
Office of the Secretary of Defense	1,916	1,867	49	
Department of the Army	378,089	376,604	1,475	
Department of the Navy	377,025	377,697		672
Department of the Air Force	266,803	264,819	1,984	
Total, Department of Defense	1,023,823	1,020,987	3,508	672
Net increase, Department of Defense			2,836	
Grand total, including Department of Defense	2,145,590	2,140,281	8,828	3,519
Net increase, including Department of Defense			5,309	

[3] New agency, created pursuant to Public Law 581, 83d Cong.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during May 1955, and comparison with April 1955*

Department or agency	May	April	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,296	1,138	158	
Commerce	3,050	3,024	26	
Health, Education, and Welfare	546	548		2
Interior	6,211	5,971	240	
Justice	550	544	6	
Labor	140	115	25	
Post Office	2,344	2,344		
State	14,919	14,869	50	
Treasury	985	987		2
Independent agencies:				
American Battle Monuments Commission	793	791	2	
Atomic Energy Commission	16	17		1
Civil Aeronautics Board	3	4		1
Civil Service Commission	17	12	5	
Farm Credit Administration	11	11		
Federal Communications Commission	27	28		1
Federal Deposit Insurance Corporation	1	1		
Foreign Operations Administration	4,867	[1] 4,778	89	
General Accounting Office	57	52	5	
General Services Administration	105	106		1
Housing and Home Finance Agency	144	134	10	
National Labor Relations Board	22	22		
Independent agencies—Continued				
Panama Canal	14,788	14,904		116
Selective Service System	198	198		
Smithsonian Institution	2	2		
United States Information Agency	7,768	7,612	156	
Veterans' Administration	1,270	1,273		3
Total, excluding Department of Defense	60,130	59,485	772	127
Net increase, excluding Department of Defense			645	
Department of Defense:				
Office of the Secretary of Defense	55	56		1
Department of the Army	88,173	88,473		300
Department of the Navy	31,642	31,356	286	
Department of the Air Force	41,264	41,518		254
Total, Department of Defense	161,134	161,403	286	555
Net decrease, Department of Defense			269	
Grand total, including Department of Defense	221,264	220,888	1,058	682
Net increase, including Department of Defense			376	

[1] Revised on basis of later information.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during May 1955 and comparison with April 1955*

Department or agency	May	April	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	2,832	2,803	29	
Commerce	2,359	2,232	127	
Interior	8,079	8,232		153
Treasury	6,210	6,261		51
Independent agencies:				
Atomic Energy Commission	136	137		1
Federal Communications Commission	12	12		
General Services Administration	1,055	960	95	
Government Printing Office	6,780	6,814		34
National Advisory Committee for Aeronautics	7,348	7,284	64	
Panama Canal	7,340	7,502		162
Tennessee Valley Authority	17,068	17,413		345
Total, excluding Department of Defense	59,219	59,650	315	746
Net decrease, excluding Department of Defense			431	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 208,300	[2] 207,177	1,123	
Outside continental United States	[1] 43,400	[2] 44,393		993
Department of the Navy:				
Inside continental United States	236,530	237,299		769
Outside continental United States	6,876	6,880		4
Department of the Air Force:				
Inside continental United States	158,458	157,367	1,091	
Outside continental United States	4,902	4,885	17	
Total, Department of Defense	658,466	658,001	2,231	1,766
Net increase, Department of Defense			465	
Grand total, including Department of Defense	717,685	717,651	2,546	2,512
Net increase, including Department of Defense			34	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of May 1955 and comparison with April 1955*

Country	Total		Army		Navy		Air Force	
	May	April	May	April	May	April	May	April
Austria	170	171					170	171
England	7,623	7,536			33		7,590	7,536
France	23,684	23,416	16,514	16,216			7,170	7,200
French Morocco	5,619	5,586	210	203	870	858	4,539	4,525
Germany	125,799	127,601	102,023	103,879	1,965	1,957	21,811	21,765
Japan	154,264	154,473	92,693	[1] 92,693	18,546	18,527	43,025	43,253
Korea	10,191	17,187	10,191	17,187				
Libya	567	785					567	785
Ryukyus	247	246			247	246		
Saudi Arabia	475	556					475	556
Spain	91	121					91	121
Trinidad	650	624			650	624		
Total	329,380	338,302	221,631	230,178	22,311	22,212	85,438	85,912

[1] Revised on basis of later information.

NOTE.—The Germans are paid from funds provided by German governments. The French, English, and Austrians reported by the Army and Air Force are paid from funds appropriated for personal services. All others are paid from funds appropriated for other contractual services.

STATEMENT BY SENATOR BYRD

Executive agencies of the Federal Government reported regular civilian employment in the month of May totaling 2,366,854. This was a net increase of 5,685 as compared with employment reported in the preceding month of April.

This was the fourth increase in succession and the longest sustained monthly increase since July 1952. The other monthly increases during the current fiscal year were in October and November 1954, and February, March and April of 1955.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1955, which began July 1, 1954, follows:

Month	Employment	Increase	Decrease
1954			
July	2,387,833		5,187
August	2,375,988		11,845
September	2,355,170		20,818
October	2,359,325	4,155	
November	2,385,024	25,699	
December	2,368,072		16,952
1955			
January	2,353,588		14,484
February	2,353,908	320	
March	2,355,810	1,902	
April	2,361,169	5,359	
May	2,366,854	5,685	

Total civilian agency employment during the month of May was 1,181,897, an increase of 3,118 over the April total of 1,178,779. Total civilian employment in the military agencies in May was 1,184,957. This was a net increase of 2,567 as compared with 1,182,390 in April.

Civilian agencies reporting the larger increases were the Department of Agriculture with an increase of 3,401, the Department of the Interior with an increase of 1,159, and the Department of Commerce with an increase of 379. Decreases were reported by the Department of the Treasury with a decrease of 1,254, the Post Office Department with a decrease of 759, and the Tennessee Valley Authority with a decrease of 368.

In the Department of Defense increases were reported by the Department of the Air Force with an increase of 1,730, the Department of the Army with an increase of 1,175, and the Office of the Secretary of Defense with an increase of 48. The Department of the Navy reported a decrease of 386 in civilian employment.

Inside continental United States civilian employment increased 5,309, and outside continental United States civilian employment increased 376. Industrial employment by Federal agencies in May totaled 717,685, an increase of 34 over April.

These figures are from reports certified by the agencies, as compiled today by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,366,854 civilian employees certified to the committee by executive agencies in their regular monthly personnel reports include some foreign nationals employed in United States Government activities abroad, but in addition to these there were 329,380 foreign nationals working for United States military agencies overseas during May who were not counted in the usual personnel report. The number in April was 338,302. A breakdown of this employment for May follows:

Country	Total	Army	Navy	Air Force
Austria	170			170
England	7,623		33	7,590
France	23,684	16,514		7,170
French Morocco	5,619	210	870	4,539
Germany	125,799	102,023	1,965	21,811
Japan	154,264	92,693	18,546	43,025
Korea	10,191	10,191		
Libya	567			567
Ryukyus	247		247	
Saudi Arabia	475			475
Spain	91			91
Trinidad	650		650	
Total	329,380	221,631	22,311	85,438

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

Lt. Gen. Alexander Russell Bolling, Army of the United States, to be major general, United States Army, on the retired list;

Lt. Gen. Claude Birkett Ferenbaugh, Army of the United States, to be major general, United States Army, on the retired list;

James Orrin Beckwith, and sundry other officers for promotion in the Regular Air Force; and

Lt. Gen. William O. Brice, Maj. Gen. Alfred H. Noble, and Maj. Gen. Christian F. Schilt, all of the United States Marine Corps, to be assigned duties of importance and responsibility designated by the President, with the rank of lieutenant general.

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. POTTER:

S. 2377. A bill to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

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

By Mr. PAYNE:

S. 2378. A bill to provide for the designation of the naval shipyard, referred to as the Portsmouth Naval Ship Yard, as the Kittery-Portsmouth Naval Ship Yard at Kittery, Maine; to the Committee on Armed Services.

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

By Mr. PAYNE (for himself, Mr. BEALL, Mr. BENDER, Mr. BRIDGES, Mr. BUTLER, Mr. COTTON, Mr. DANIEL, Mr. DUFF, Mr. EASTLAND, Mr. ERVIN, Mr. GREEN, Mr. IVES, Mr. KENNEDY, Mr. KUCHEL, Mr. LONG, Mr. MAGNUSON, Mr. NEUBERGER, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. SALTONSTALL, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. THYE, Mr. WILEY, Mr. MORSE, and Mr. SCOTT):

S. 2379. A bill to promote the fishing industry in the United States and its Territories by providing for the training of needed personnel for such industry; to the Committee on Interstate and Foreign Commerce.

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

By Mr. CURTIS (for himself and Mr. HRUSKA):

S. 2380. A bill authorizing the modification of the general comprehensive plan of improvement for the Missouri River Basin to include certain flood-control works in the Gering Valley, Nebr.; to the Committee on Public Works.

By Mr. KNOWLAND (for Mr. DIRKSEN):

S. 2381. A bill for the relief of Dr. Mahmood Sajjadi; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2382. A bill to amend title II of the Social Security Act to provide extra credit for postponed retirement;

S. 2383. A bill to amend the Social Security Act to increase the insurance benefit of a wife or husband of an individual entitled to an old-age insurance benefit from one-half to three-fourths of the old-age benefit of such individual, and to increase the insurance benefit of the widow or widower of

such individual from three-fourths to a whole old-age insurance benefit of such individual;

S. 2384. A bill to amend title I, IV, X, and XIV of the Social Security Act to increase Federal financial participation in the public assistance plans established pursuant to such titles in order that the States may make appropriate adjustments in their payments to beneficiaries under such plans to provide for the increased cost of living, and for other purposes;

S. 2385. A bill to amend title II of the Social Security Act to increase the minimum old-age insurance benefit from $30 to $35 per month;

S. 2386. A bill to amend the public assistance provisions of the Social Security Act by extending for 2 years the increased Federal financial participation for old-age assistance, and to the blind, aid to the permanently and totally disabled, and aid to dependent children;

S. 2387. A bill to amend the Social Security Act to provide disability insurance benefits for totally disabled individuals, and to provide benefits for the wives and minor children of such individuals;

S. 2388. A bill to amend title II of the Social Security Act to provide for the payment of child's insurance benefits to certain individuals who are over the age of 18 but who are unable to engage in any regular employment by reason of permanent physical or mental disability; and

S. 2389. A bill to amend title II of the Social Security Act to provide that a child shall be considered the adopted child of a deceased individual where such individual, before his death, had filed an appropriate petition for the adoption of such child; to the Committee on Finance.

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

By Mr. KNOWLAND:

S. 2390. A bill to consent to the taxation of certain Federal property by State and local tax authorities, to provide for the payment to such authorities of sums in lieu of taxes with respect to certain other Federal property, and for other purposes; to the Committee on Government Operations.

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

By Mr. FREAR:

S. 2391. A bill to amend the Defense Production Act of 1950, as amended; placed on the calendar.

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

By Mr. DOUGLAS:

S. 2392. A bill for the relief of Arthur Fu-ju Liu and his wife Pauline Yin Liu; to the Committee on the Judiciary.

S. 2393. A bill to provide for a comprehensive investigation and survey to determine what action should be taken to meet the flood and major drainage problems in the vicinity of Chicago, Ill.; to the Committee on Public Works.

By Mr. BEALL:

S. 2394. A bill to provide for the enlargement of the Antietam National Cemetery at Sharpsburg, Md.; to the Committee on Interior and Insular Affairs.

By Mr. CARLSON:

S. 2395. A bill to extend for 1 year the free mailing privileges provided by the act of July 12, 1950, as amended, for members of the Armed Forces in specified areas; to the Committee on Post Office and Civil Service.

By Mr. MORSE:

S. 2396. A bill for the relief of W. A. Rushlight; to the Committee on the Judiciary.

By Mr. MALONE:

S. 2397. A bill for the relief of Herculis Glikas; to the Committee on the Judiciary.

By Mr. DOUGLAS (for himself, Mr. CHAVEZ, Mr. GREEN, Mr. PASTORE, Mr. HENNINGS, Mr. HUMPHREY, Mr. KENNEDY, Mr. KILGORE, Mr. NEELY, Mr. LANGER, Mr. LEHMAN, Mr. MAGNUSON, Mr. MCNAMARA, Mr. MORSE, Mr. NEUBERGER, Mr. MURRAY, Mr. SYMINGTON, and Mr. WILEY):

S. J. Res. 86. Joint resolution to subject the submerged lands under the marginal seas to the provisions of the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

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

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, RELATING TO PAYMENTS IN LIEU OF TAXES IN CERTAIN CASES

Mr. POTTER. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Property and Administrative Services Act of 1949 making temporary provision for payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

According to a list furnished by the Bureau of the Budget, some 59 properties, largely industrial in nature, in 20 States would be affected by the bill. Such payments assured by my bill will provide badly-needed revenue for State and local governments and school districts in which those plants are located.

Michigan alone counts at least three such plants receiving services such as sewage disposal and water without reimbursing localities in like proportion to other similar plants. School districts throughout the Nation have been educating children of parents employed in many of those federally owned plants also without paying for those services in like proportion to other school taxpayers.

In the 83d Congress the House passed H. R. 5605 which had the same objective as the bill I have introduced. The Senate Government Operations Committee reported that measure, but in the waning days of the 83d it failed of passage because of objection when it was called on the consent calendar.

The administration has recognized the plight of local units of governments and their difficulty in obtaining adequate revenue to provide necessary local services, particularly in the light of heavy Federal taxation and extensive real property holdings by Federal agencies.

The Commission on Intergovernmental Relations, sometimes known as the Kestnbaum Commission, after 2 years of study, has recently filed its comprehensive report. On the subject of payment in lieu of taxes the Commission said:

> The Commission recommends that the National Government inaugurate a broad system of payments in lieu of property taxes to State and local governments. The most important class of properties on which such payments should be made is commercial or industrial properties. Special assessment payments and transitional payments in lieu of taxes should be made in certain cases.
>
> The Commission believes that these payments are necessary to help preserve financially healthy local governments. Present tax immunities of Federal property have weakened many local governments. The States and the National Government share in the responsibility for avoiding actions which impair the financial ability of local governments. Equity as between Federal and local taxpayers requires the National Government to make appropriate payments. These should be based largely on the property tax system, which is the main source of local revenue.
>
> The Commission does not believe that equity requires initiation of payments in lieu of taxes on properties held by the National Government where their noncontributory status has already become integrated into the economic and fiscal patterns of the community. Therefore, no in-lieu payments should be made on any properties acquired prior to a specified cutoff date. Perhaps September 8, 1939, would be the earliest date and July 1, 1950, the latest date. These dates marked the beginning of periods of large-scale acquisition of properties for defense purposes—the properties which have been largely responsible for this problem. The Commission, recognizing that any selection must be arbitrary, is not prepared to recommend a specific cutoff date. In addition to a cutoff date, some type of arbitrary limitation on Federal payments is necessary to prevent excessive payments or windfalls to some local governments.
>
> In the Commission's opinion, the exhaustive report of its Study Committee on Payments in Lieu of Taxes and Shared Revenues will provide the Congress with a solid foundation upon which to build a sound program of payments in lieu of taxes on Federal properties and make such adjustments in shared revenue arrangements as may be needed.
>
> The States sometimes contribute to the financial difficulties of their subdivisions by exempting their own properties from taxation. They may, therefore, want to consider the use of broad payment-in-lieu arrangements at the State level.

My bill, being of a temporary and interim nature, could well be a wise first step in this new field of intergovernmental relationships. Experience in this limited area would permit the avoidance of pitfalls and then point the way to sound permanent legislation, the objective of which has been endorsed both by the administration and the Intergovernmental Relations Commission.

This is a companion bill to H. R. 6182, introduced in the House of Representatives by Representative GEORGE MEADER, of the Second District of Michigan. A $25 million aluminum extrusion plant built during the war by Defense Plants Corporation was abruptly removed from local tax rolls when transferred to the Air Force. Taxes, amounting to 10 percent of local budgets were withheld without warning, disrupting local finances and functions.

It is to meet situations of that character that I have sponsored this proposed legislation.

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

The bill (S. 2377) to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments, introduced by Mr. POTTER, was received, read twice by its title, and referred to the Committee on Government Operations.

DESIGNATION OF PORTSMOUTH NAVAL SHIPYARD AS THE KITTERY-PORTSMOUTH NAVAL SHIPYARD

Mr. PAYNE. Mr. President, at the meeting of the Department of Maine, Veterans of Foreign Wars, council of administration, held in Auburn, Maine, on June 19, 1955, the following resolution was adopted:

Be it resolved, That whereas the naval shipyard known as the Portsmouth Naval Base is actually located within the boundaries of the State of Maine, and whereas Maine has not received proper recognition; be it therefore

Resolved, That the Maine congressional delegation and State government lend their efforts to have the navy yard renamed the Kittery-Portsmouth Naval Yard.

For years there has been confusion about the name and location of the so-called Portsmouth Naval Shipyard. Actually the yard is located on Dennet's Island on the Maine side of the Piscataqua River and is entirely within the town of Kittery, Maine.

I introduce, for appropriate reference, a bill to change the name of the Portsmouth Naval Shipyard to the Kittery-Portsmouth Naval Shipyard at Kittery, Maine. This bill will clarify both the name and location of the shipyard.

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

The bill (S. 2378) to provide for the designation of the naval shipyard, referred to as the Portsmouth Naval Shipyard, as the Kittery-Portsmouth Naval Shipyard at Kittery, Maine, introduced by Mr. PAYNE, was received, read twice by its title, and referred to the Committee on Armed Services.

COMMERCIAL FISHERY EDUCATION PROGRAM

Mr. PAYNE. Mr. President, on behalf of myself, the junior Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BENDER], the senior Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Maryland [Mr. BUTLER], the junior Senator from New Hampshire [Mr. COTTON], the Senator from Texas [Mr. DANIEL], the Senator from Pennsylvania [Mr. DUFF], the Senator from Mississippi [Mr. EASTLAND], the Senators from North Carolina [Mr. ERVIN and Mr. SCOTT], the senior Senator from Rhode Island [Mr. GREEN], the Senator from New York [Mr. IVES], the junior Senator from Massachusetts [Mr. KENNEDY], the Senator from California [Mr. KUCHEL], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senators from Oregon [Mr. MORSE and Mr. NEUBERGER], the junior Senator from Rhode Island [Mr. PASTORE], the Senator from Michigan [Mr. POTTER], the Senator from Connecticut [Mr. PURTELL], the senior Senator from Massachusetts [Mr. SALTONSTALL], the senior Senator from Maine [Mrs. SMITH], the Senator from Alabama [Mr. SPARKMAN], the Senator from Minnesota [Mr. THYE], and the Senator from Wisconsin [Mr. WILEY], I introduce a bill to establish a commercial fishery education program in the United States and request that it be appropriately referred.

I ask unanimous consent that a statement I have prepared on this bill, together with a copy of the bill, may be printed in the RECORD.

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

The bill (S. 2379) to promote the fishing industry in the United States and its Territories by providing for the training of needed personnel for such industry, introduced by Mr. PAYNE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) the Secretary of the Interior is authorized to make grants, out of funds appropriated for the purposes of this section, to public and nonprofit private universities and colleges in the several States and Territories of the United States for such purposes, including the establishment of scholarships, as may be necessary to promote the education and training of professionally trained personnel (including technicians and teachers) needed in the field of commercial fishing. Any amount appropriated for the purposes of this section shall be apportioned on an equitable basis, as determined by the Secretary of the Interior, among the several States and Territories for the purpose of making grants within each such State and Territory. In making such apportionment the Secretary of the Interior shall take into account the extent of the fishing industry within each State and Territory as compared with the total fishing industry of the United States (including Territories), and such other factors as may be relevant in view of the purposes of this section. The Secretary of the Interior may establish such guides and curricula for educational courses as may be necessary for the purposes of this section.

(b) There are authorized to be appropriated not in excess of $550,000 for the fiscal year beginning on July 1, 1955, and for each fiscal year thereafter for the purposes of this section.

(c) The Secretary of the Interior may establish such regulations as may be necessary to carry out the provisions of this section.

SEC. 2. (a) Section 3 (a) of the Vocational Education Act of 1946 is amended by inserting after paragraph (4) the following new paragraph:

"(5) Three hundred and seventy-five thousand dollars for vocational education in the fishery trades and industry and distributive occupations therein, to be apportioned for expenditure in the several States and Territories on an equitable basis, as determined by the United States Commissioner of Education after consultation with the Secretary of the Interior, taking into account the extent of the fishing industry of each State and Territory as compared with the total fishing industry of the United States (including Territories)."

(b) Section 3 (b) of such act is amended by striking out "paragraphs (1) to (4)" and inserting in lieu thereof "paragraphs (1) to (5)."

The statement presented by Mr. PAYNE is as follows:

STATEMENT BY SENATOR PAYNE

The United States commercial fishing industry is one of our oldest and proudest. Today some 160,000 Americans operate over 90,000 commercial fishing craft; another 103,000 people are employed as shore workers by the fishing industry itself; while an estimated 300,000 more are employed by allied industries. The 1954 fishing catch totaled 4,700,000,000 pounds, with an estimated value in excess of $1 billion.

Last year Congress recognized the seriousness of the problems facing the American commercial fishing industry by passing the Saltonstall-Kennedy bill (Public Law 447, 83d Cong.) to encourage fishery research and marketing. The Saltonstall-Kennedy bill will be of incalculable benefit to the fishing industry in the years ahead.

Today, I am introducing legislation, on behalf of myself and other Senators, to provide for the training of needed personnel for the fishing industry.

Probably no phase of our commercial fishery industries has received less attention than the development of progressive fishery educational facilities in this country. Whereas this field of vocational and academic training has received growing attention and action in other major fishery producing nations, the meager facilities in this country have remained almost unchanged during the past three decades.

This inadequacy has left a serious mark on the efficiency of the industry, but just as important has been its effect on the management and conservation of our fishery resources. At no time has this been better illustrated than by the current difficulties being experienced by Government in its management-staffing program.

As the world's fishery industries become more advanced technologically, this serious deficiency in educational facilities is becoming more pronounced and can exert an even more serious effect on this Nation's standing as a major fish-producing and processing factor. While this condition merits immediate consideration because of the importance of the fisheries contribution to the gross national product, it can be even more serious in that it can adversely affect our independence for protein food from foreign sources during periods of international emergencies.

The problem exists at each level of our educational processes—high school, university, vocational, and extension service. In the most nearly comparable industry, agriculture, the future farmers and farm-product processors of this country have these advantages. Largely as a result of this, our agricultural productivity and efficiency have increased sharply in the past two decades. This is also true, to a large extent, in our other resources, trades, and industries. Yet, for our fisheries there now exists only one major university, one known high school giving courses on the commercial phases of this resource, and no vocational or extension facilities.

Basically, three types of fisheries educational facilities are required to place them on an equitable basis with existing facilities available to our other resources, trades, and industries: (1) High school-college facilities; (2) vocational-training units; and (3) extension service.

EXISTING LEGISLATION

Existing legislation appears to be inadequate to provide the type of fishery educational facilities desired, except in the cases of vocational training where presumably fisheries training could be included.

Land-grant facilities: Morrill Act, 1862; second Morrill Act, 1890; Nelson amendment, 1907; Bankhead-Jones Act, 1935.

Vocational facilities: Smith-Hughes Act, 1917; George-Dean Act, 1936; George-Barden Act, 1946.

Agricultural extension facilities: Smith-Lever Act, 1914, as amended.

I know that existing funds under the legislation previously cited are being well spent, and it is not my purpose to divert any part

of them for the training of personnel for the fishing industry. My cosponsors and I are proposing that an authorization be obtained to establish or augment educational facilities and programs directly relating to fisheries. This proposal contemplates vocational training at several levels of our educational processes and expansion of graduate-school facilities to include training of technicians as well as teachers in the fisheries field.

Vocational training authorizations are included in the vocational acts (20 U. S. C. secs. 11–29). An estimate of $23,673,261 is included on page 673 of the budget with the following explanation:

"Grants are made to the States, Alaska, Hawaii, Puerto Rico, the Virgin Islands, and the District of Columbia for training in agriculture, home economics, trades and industry, and distributive occupations, and for training teachers of these subjects."

It should be noted that this appropriation, or at least certain specific amounts, are authorized for (1) vocational education in "trades and industry" and for vocational education in "distributive occupations" (20 U. S. C. 15j). The authorization for vocational education in trades and industry and in distributive occupations would appear to be broad enough to encompass whatever program might be needed with respect to the fishing industry. There also is an indefinite appropriation of $7,138,331 (Budget, p. 717) of grants "to the States on a dollar-for-dollar matching basis, for the payment of teachers of agriculture, trade, home economics, and industrial subjects, and for the training of teachers of these subjects." It is understood that the matching requirement is of little concern since State appropriations for similar purposes in almost every instance, if not every instance, far exceed the grants-in-aid by the Federal Government.

Except for the definite appropriation of $2,550,000 (Budget, p. 717), the college-aid funds are made available to the States on the basis of population and are available only to the 69 land-grant colleges. Funds available for vocational education are distributed on several bases and are available for high schools, trade schools, and similar facilities. For example, $8 million for vocational education in trades and industry (20 U. S. C. 15j (3)), is apportioned to the several States "in the proportion that their non-farm population bears to the total nonfarm population of the States and Territories; "whereas, an authorization for $2,500,000 for vocational education in the distributive occupations is apportioned in the proportion that the total population of the State bears to the total population of the States and Territories.

PROVISIONS OF THE BILL

In view of the above, the sponsors of this legislation, have taken a similar approach in the proposed bill. The Secretary of the Interior is given an annual sum of $550,000, and he is authorized to make grants to public and nonprofit private universities and colleges in the several States and Territories of the United States for educational courses of interest and benefit to the fishing industry. This includes the establishment of scholarships for the development of professionally trained personnel, including technicians and teachers in the field of commercial fishing. In apportioning these funds on an equitable basis, the Secretary of the Interior must take into account the extent of the fishing industry within each State and Territory as compared with the total fishing industry of the United States (including Territories), and other relevant factors.

Section 2 of the bill simply adds the same criteria to the Vocational Education Act of 1946 and makes $375,000 annually available for vocational education in the fishery trades and industry.

MODEST AUTHORIZATION

By comparison with the funds made available for training in agricultural studies, etc., this request for funds is quite modest. There is no provision in this bill for extension courses, which are very much needed, if this country is to make the strides in progressive commercial fisheries that other nations are making. The sponsors of this bill feel that textbooks, techniques and teachers must first be developed before extension courses can be profitably provided for.

Last year, when our committee proposed that 30 percent of our tariffs on imports of fishery products be earmarked for research for fisheries, we were told that these funds had been earmarked for agriculture, and that in the future our fisheries proposals should rest upon their own two feet. The sponsors of this legislation have adopted this suggestion in the proposed bill. We know that for every penny spent for research and training in agriculture, this Nation reaps many dollars in revenue. We simply wish to do the same for our fisheries industry. We know that if we can launch an educational program such as I have outlined, the commercial fisheries industry will find many dollars to add to our scholarship funds in order to secure needed personnel. The whole country will prosper as a result of increased revenues, and through the added protection our Nation will receive in the way of an added source of fine energy foods in time of war or emergency.

IMPROVEMENT OF SOCIAL SECURITY SYSTEM

Mr. HUMPHREY. Mr. President, I am about to introduce a series of bills, and I ask unanimous consent that I may speak on them in excess of the 2 minutes allowed under the order which has been entered.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a series of bills to improve our social security system. Members of this body know that ever since I began serving in the Senate in 1949 I have fought for adequate financial protection for America's aged, widowed, orphaned, and disabled. I am convinced that an important factor in America's greatness today is the willingness of the strong to share part of the burden of the weak. During the debate on social security bills in 1950 and 1953, I set forth the principles which have guided my activities in social security legislation. They are:

First. Universal coverage of all persons who work for a living.

Second. Protection under the insurance system of all aged persons, irrespective of the length of time that they have contributed to the insurance system or whether they have retired prior to contributing to the insurance system.

Third. Payment of insurance benefits to individuals during periods of disability so that individuals who are sick or disabled may also have security as well as some income. This will make it possible for them to avoid asking for charity and enable them to pay their doctors' and hospital bills from their insurance benefits.

Fourth. Federal grants to the States for public assistance to those for whom the insurance program cannot meet all needs.

Fifth. Raising benefit payments so as to sustain an adequate relationship between earned income and benefit, and so as to keep pace with rising wage and price levels. An increase is urgently needed if we are to permit our senior citizens to retire with security, dignity, and reasonable comfort.

Sixth. Increasing the level of permissible monthly earnings for the aged so as not to penalize those who wish to remain contributing members of our economy.

In accordance with these principles, I introduce eight bills to amend the social-security laws. These are in addition to the three bills which I have already introduced and cosponsored. I trust that the Congress will see fit to act on them during the current session.

First. A proposal to increase OASI benefits from 50 percent to 75 percent for wives and from 75 percent to 100 percent for widows. The adoption of this proposal would mean that about 1 million wives and 500,000 widows would receive increases. It is absurd to have written into the law of our land the concept that a widow can subsist on less food, clothing, and shelter than her deceased husband was able to; nor is it less silly to suggest that an aged couple can live on only half again as much as a single retired person. For most beneficiaries, benefit payments are the chief source of dependable income. If insurance benefit payments remain low in this period of high living costs, it means that old people, widows, and orphans will be thrown on the local public-assistance rolls.

Second. I am happy to join Senator NEUBERGER in urging that we reduce from 65 to 60 the age at which women may retire and/or become eligible for benefits. This measure is necessary to prevent a couple from having to live on the benefit income of the husband alone if the wife is less than 65 at the time of her husband's retirement. We also should make it possible for women to retire at age 60, if they wish, rather than wait until 65. This is in line with other protective social legislation for women. This bill was introduced on January 18, 1955, and is S. 521.

Third. Allow OASI benefits for the permanently and totally disabled. It is virtually impossible for most of these people to provide adequately for themselves. For many of them, charity is the only relief. I think that few of us would want to deny these unfortunate people the chance to retain the elemental dignity to which every American is entitled and to be secure in the knowledge of a guaranteed and steady minimum subsistence allowance.

Fourth. Allow children for whom a petition for adoption was submitted to receive dependency benefits even if the prospective parent died before the petition for adoption was formally granted. Not many individuals would be affected by this measure, yet in those cases where this situation does occur deprivation of dependency benefits cause real hardship which I feel we should act to prevent.

Fifth. Allow congenitally disabled children to be listed as dependents regardless of age. Permanent maintenance of an individual crippled from birth often creates a most severe drain on a family's resources. It seems more than reasonable that Congress should act to lighten at least partially this heavy burden. We should recognize that one of the great social and humanitarian objectives of the social-security program is to be of assistance to fellow citizens who suffer misfortune. Therefore, I urge that we permit the congenitally disabled to be permanently eligible for benefits.

Sixth. Continue the present $5 increase in public assistance for another 2 years. This would extend for 2 years the increase provided to the States in 1952 for payment to old-age assistance, and to the blind, and to the disabled, and aid to dependent children. The present extension is due to expire in September 1956 and I think that few of us would want to deny these people the few extra dollars on which they so greatly depend.

Seventh. Provide an additional $5 across the board for old-age assistance, and to the blind and disabled, and $3 for dependent children. I appeal to the Senate to do something for the senior citizens of this country. I assume that this amendment will cost about $200 million for all those receiving old-age assistance, the blind, the disabled, and the dependent children. But this will be the best $200 million that Congress could spend. This would be true Christian compassion—help to the helpless, help to the weary, and help to the heavily laden.

Eighth. Provide a $5 increase in the minimum OASI payments to $35. We all know that even $35 will not go very far toward maintaining a retired man, particularly with the disabilities which a man over the age of 65 is likely to have.

Ninth. Provide a 2-percent postponed retirement benefit so that each worker who continues to work past 65 receives an additional 2 percent for every year he works past that age when he does retire. Under the mortality table, a man who is 65 years of age has a life expectancy of 14 years as an average. This amendment would give those wishing to continue working for a portion of that period, every opportunity to do so. The large number of senior citizens who have had to retire constitutes a growing national problem. These people collectively have made an enormous contribution to the prosperity of America that we are now enjoying. With good conscience we cannot ignore their plight.

Tenth. To provide for the coverage of dentists under the Federal old-age and survivors' insurance system established by title II of the Social Security Act. A poll among the Minnesota dentists demonstrated the overwhelming support for that social security extension in my own State. Since that time, there has been added evidence to prove that members of the dental profession in other States, whenever given an opportunity to do so, voted to be covered by the Federal old-age and survivors' insurance system. For example, a recent poll taken in the State of Iowa showed that 81 percent of the voting dentists were in favor of social security coverage with only 12.5 percent opposed. A bill to accomplish this objective was introduced by me on April 28, 1955, and is S. 1840.

Eleventh. To provide for voluntary coverage of lawyers under the Federal old-age and survivors' insurance system established by title II of the Social Security Act. On the basis of information made available to me, it is clear that American attorneys share the same attitude in regard to social security as is prevalent in the dental profession. The American Bar Association has recommended coverage for lawyers on the basis of polls taken of attorneys in a great many States. It is my hope that Congress will act in favor of my proposal and thus allow lawyers and dentists to share in the benefits that other citizens enjoy. The bill to provide coverage for lawyers is S. 1841, and was introduced by me on April 28, 1955.

These 11 bills are by no means meant to be inclusive. It is my hope to introduce and cosponsor other legislative proposals to further meet the need for improving our social-security system.

We have made a good start in overhauling our social-security system. But we cannot be content with what we have done so far. Our economy is expanding. Wages have been increasing and, in my opinion, will continue to do so because of the increasing productivity of our American economic system. Under these circumstances, I believe that we can provide a more generous, a more adequate, a more comprehensive social-security system which will really bring security to the American people. There are some who are afraid of improving our social-security system because they say it will cost too much. In my opinion these people do not have faith in the future of America. I urge that we give each man the opportunity to earn his own security in the American way through our Federal insurance program.

The number of persons age 65 and over has increased between 1900 and 1950 and is still growing. The net increase is about 325,000 a year, a jump of about 1,000 almost every day.

Not only is the number of our aged increasing, but the proportion of old persons in our population is also on the rise. In 1900 the aged were only 4 percent of the total population. As of 1953 they were 8 percent. In about 20 years the proportion will have grown to about 10 percent and will still be climbing.

Moreover, relatively few aged persons are working. Around 1900, out of every 10 aged men, 6 were employed. Today, only 4 out of 10 have jobs. As for the rest, a fortunate minority have savings and dividend income; some, also fortunate, still have their own homes and can rent rooms; some are partially supported by their adult children and other relatives. Most older men and women, however, must look to social-security insurance or public old-age assistance as their chief source of dependable income. Therefore, social-security benefits are vitally important to an increasing number of Americans. Yet, in the face of the highest cost of living in our Nation's history, benefits under social-security insurance for wage earners over 65 average only about $59 per month. Old-age public assistance payments are about $8 less. Not counting luxuries, not counting doctor bills, not counting even shoes and clothing, can anyone say that $59 is enough to live on today?

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

The bills introduced by Mr. HUMPHREY were received, read twice by their titles, and referred to the Committee on Finance, as follows:

S. 2382. A bill to amend title II of the Social Security Act to provide extra credit for postponed retirement;

S. 2383. A bill to amend the Social Security Act to increase the insurance benefit of a wife or husband of an individual entitled to an old-age insurance benefit from one-half to three-quarters of the old-age benefit of such individual, and to increase the insurance benefit of the widow or widower of such individual from three-fourths to a whole old-age insurance benefit of such individual;

S. 2384. A bill to amend titles I, IV, X, and XIV of the Social Security Act to increase Federal financial participation in the public assistance plans established pursuant to such titles in order that the States may make appropriate adjustments in their payments to beneficiaries under such plans to provide for the increased cost of living, and for other purposes;

S. 2385. A bill to amend title II of the Social Security Act to increase the minimum old-age insurance benefit from $30 to $35 per month;

S. 2386. A bill to amend the public assistance provisions of the Social Security Act by extending for 2 years the increased Federal financial participation for old-age assistance, and to the blind, aid to the permanently and totally disabled, and aid to dependent children;

S. 2387. A bill to amend the Social Security Act to provide disability insurance benefits for totally disabled individuals, and to provide benefits for the wives and minor children of such individuals;

S. 2388. A bill to amend title II of the Social Security Act to provide for the payment of child's insurance benefits to certin individuals who are over the age of 18 but who are unable to engage in any regular employment by reason of permanent physical or mental disability; and

S. 2389. A bill to amend title II of the Social Security Act to provide that a child shall be considered the adopted child of a deceased individual where such individual, before his death, had filed an appropriate petition for the adoption of such child.

FEDERAL PROPERTY TAX PAYMENTS ACT OF 1955

Mr. KNOWLAND. Mr. President, on Tuesday, June 28, the President submitted to the Congress the final report of the Commission on Intergovernmental Relations, which was established on July 10, 1953.

After a 2-year period of intensive study and investigation, the Commission's findings and recommendations on the problems inherent in the field of intergovernmental relations are available for consideration and action by the Congress.

From a small nation of Thirteen Colonies with 3 million people, there has evolved through tremendous stages of growth a vast governmental network of

activities that embraces 48 States, Territories, and other possessions with an excess of 165 million Americans. Since the turn of the century, social progress and international events have catapulted the scope of Federal activities and jurisdiction to the extent that scarcely any private activity of individual citizens is immune from the programs and policies of the Federal Government.

In calling for a congressional consideration of the Commission's recommendations, the President stated that due to the increasingly intricate interrelationship of National, State, and local governments it is important that we review the existing allocation of responsibilities with a view to making the most effective utilization of our total Government resources.

Mr. President, we have traveled a long distance since the time that Abraham Lincoln portrayed the function of government as one of doing for the people those things which they were incapable of doing for themselves. In my judgment the most serious consequence of the past era of gigantic governmental growth has been the transferring of responsibilities and obligations from State and local government units to the executive offices of the Federal Government in Washington.

Although men may differ as to the reasons for these developments, history records that the increase of financial instability in local government agencies with resultant increase of responsibility, power, and authority in centralized government has been destructive of representative forms of government wherever it has occurred.

As the Commission on Intergovernmental Relations has pointed out fiscal imbalances among levels of government must be reduced if our Federal form of government is to endure and if the Government as a whole is to be responsive to the will of the governed.

On July 24, 1953, along with Senators Taft, Ferguson, Bush, and Potter, I introduced S. 2473 in the Senate to authorize a program for in lieu tax payments for property and activities of the Federal Government acquired during and subsequent to the Korean war. Inasmuch as a serious financial situation faced many local communities at that time, the sponsors of S. 2473 intended a limited program of payments by the Federal Government to local government bodies and it was not our intention that such legislation should have to await a lengthy consideration of this problem by the Commission on Intergovernmental Relations. However, such a delay has occurred and it is at least encouraging that the Commission has lived up to its responsibilities in recognition of this financial dilemma which has since grown more acute.

In the words of the Commission, "the Commission recommends that the National Government inaugurate a system of payments in lieu of property taxes to State and local governments."

Mr. President, I am today introducing legislation to carry out the Commission's recommendations based on the exhaustive report of its study committee on payments in lieu of taxes and shared revenues. I am hopeful that the Members of the Congress will recognize their responsibilities in this field and restore an element of sensibility to our present fiscal policies. The longer I serve in the United States Senate, the more convinced I become of the soundness of a State's rights principle of government.

If we should continue to let go unchallenged the processes that are destroying the fiscal responsibility of our States and local government units, the time will not be long forthcoming when our 48 States will stand impotent to administer even the most local recessities of its citizens.

In some States, the Federal Government today owns more than 50 percent of the property included within their boundaries. In my own State of California, Federal land acquisitions include 46 percent of the total land acreage within the State.

I am convinced that national and local governmental programs and activities can be placed on a firm financial foundation if the will exists in the Federal Government and elsewhere to accomplish the task. I hope the Congress will produce the opportunity and means to realize this important objective.

Mr. President, in conclusion I request permission to have printed in the RECORD a memorandum in explanation of the provisions of the in-lieu-of-tax program measure I am now introducing.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred, and without objection the memorandum will be printed in the RECORD.

The bill (S. 2390) to consent to the taxation of certain Federal property by State and local tax authorities, to provide for the payment to such authorities of sums in lieu of taxes with respect to certain other Federal property, and for other purposes, introduced by Mr. KNOWLAND, was received, read twice by its title, and referred to the Committee on Government Operations.

The memorandum presented by Mr. KNOWLAND is as follows:

PAYMENTS IN LIEU OF TAXES LEGISLATION

1. Establishes Federal Tax Payments Board to administer act, promulgate uniform rules and regulations; to hear and determine questions of fact and law arising under the act which would not have been resolved by exhausting State remedies. The Board to be composed of 3 members appointed by the President with the advice and consent of the Senate.

2. Establishes a Federal tax payments advisory committee to advise the President and the Board of problems arising under the act and to recommend changes thereto. Committee composed of 12 members—6 Federal employees, 3 employees of State governments, and 3 members of other State tax authorities.

3. Provides Federal jurisdiction for hearing defaulted tax claims arising under act.

4. Grants consent to taxation of property which:

(1) Legal title is held by Federal agency to insure against loss in connection with loan, contract of insurance, or guaranty;

(2) Has been leased or sold by Federal agency under conditional sales contract. Authority to tax granted only to same extent as existing State tax authority on non-Federal property of same class. Payments under the consent provisions to be made by Federal agency having control over such property.

5. Payments in lieu of taxes:

(1) Federal property devoted to commercial or industrial uses.

(2) Federal property devoted to any other use except local governmental use.

(3) Payments under this provision will be equal to amount of State tax on like classes of property reduced by Federal credit for value of Government services performed within the jurisdiction during the fiscal year and increased by a credit to State authority for performing services to such Federal property not customarily furnished to other property of a like class.

(4) State tax authority required to file claim for payments, based on itemized statement of tax data, to each Federal agency in control of such property.

(5) In lieu payments to be made by agency in control of such property.

6. Property exempted from payments:

(1) Property acquired before September 8, 1939.

(2) Property already subject to local taxation or in lieu payments.

(3) Property subject to a revenue sharing program.

(4) Property which would be exempt due to its use if privately owned.

(5) Property devoted to local governmental use such as courthouse, post office or postal operations, weather stations, assay offices, local irrigation or sanitation projects, airports operated by the Civil Aeronautics Administration or experimental, testing or research projects devoted primarily to local public, Federal police and hospital services; military installations; agricultural or strategic commodities under Federal custody.

7. Procedure established for reduction of in lieu payments when such payments exceed State taxes on non-Federal property.

8. Transitional payments in lieu of taxes—certain classes of property although used for local purposes, are subject to graduated system of payments. Such property is limited to that acquired after enactment of the act or 10 years prior thereto. All such property completely exempt after 10 years of graduated payments.

9. All Federal property except classes especially exempt subject to local assessments where such assessments are made on non-Federal property.

10. All Federal agencies required to furnish adequate information to local tax authorities.

FEDERAL DEVELOPMENT OF ALL OFFSHORE SUBMERGED LANDS

Mr. DOUGLAS. Mr. President, on behalf of myself, the senior Senator from New Mexico [Mr. CHAVEZ], the junior and senior Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the junior Senator from Minnesota [Mr. HUMPHREY], the junior Senator from Massachusetts [Mr. KENNEDY], the Senators from West Virginia [Mr. KILGORE and Mr. NEELY], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from New York [Mr. LEHMAN], the senior Senator from Washington [Mr. MAGNUSON], the junior Senator from Michigan [Mr. MCNAMARA], the Senators from Oregon [Mr. MORSE and Mr. NEUBERGER], the senior Senator from Montana [Mr. MURRAY], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], and the senior Senator from Wisconsin [Mr. WILEY], I introduce a joint resolution to repeal the provisions of the Submerged Lands Act of 1953, which purported to give away to coastal States vast offshore oil and mineral re-

sources belonging to the Federal Government.

This joint resolution, if enacted, will make all of the submerged lands outside of inland waters and seaward from the low-water mark subject to Federal development under the Outer Continental Shelf Lands Act. It is similar in form to Senate Joint Resolution 145, which I introduced with numerous cosponsors in the 83d Congress.

Its passage will mean that all the people of the United States may again be assured of enjoying the benefits from the development of these oil, gas, and mineral resources estimated at from $8 billion to $50 billion in value.

Since the Supreme Court last year refused to hear the case brought by the States of Rhode Island and Alabama to test the validity of the attempted giveaway, and since the Attorney General has revealed that the executive branch, under his administration at least, may not contest the attempted transfer to the coastal States of submerged lands out to the traditional 3-mile mark, the Congress, under the resolution I am introducing, is the last and best hope for protecting the interests of all the people.

Mr. President, I therefore introduce the joint resolution, and ask that it be appropriately referred.

I ask unanimous consent that the text of the resolution, together with an explanatory statement prepared by me, be printed in the RECORD.

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

The joint resolution (S. J. Res. 86) to subject the submerged lands under the marginal seas to the provisions of the Outer Continental Shelf Lands Act, introduced by Mr. DOUGLAS (for himself and other Senators), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Whereas as a result of the per curiam opinion of the Supreme Court of the United States of March 15, 1954, it is clear that the United States acquired in a proprietary as well as sovereign capacity the submerged lands beyond the ordinary low-water mark extending seaward from the coasts of the United States and outside of the inland waters (hereinafter referred to as "the submerged lands under the marginal seas"); and

Whereas section 5 of the Submerged Lands Act provides that there is excepted from the operation of section 3 thereof "all lands acquired by the United States by eminent domain proceedings, purchase, cession, gift, or otherwise in a proprietary capacity," and in consequence of this exception, the provisions of section 3 of that act are inapplicable to the submerged lands under the marginal seas: Now, therefore, be it

Resolved, etc., That this joint resolution may be cited as the "Submerged Lands Under the Marginal Seas Act."

SEC. 2. The provisions of the Outer Continental Shelf Lands Act are hereby made applicable to the submerged lands under the marginal seas as if such lands were a part of the outer Continental Shelf, as defined in such act, any provision in the Submerged Lands Act to the contrary notwithstanding, and any provisions in the Submerged Lands Act to the contrary are hereby repealed.

The statement presented by Mr. DOUGLAS follows:

STATEMENT BY SENATOR DOUGLAS

This resolution simply subjects the submerged lands seaward from the low-water mark to the provisions of the Outer Continental Shelf Lands Act, which provides for Federal development. It further repeals any provisions to the contrary in the Submerged Lands Act, the so-called offshore oil bill.

The approach of this resolution, which is made clear in the two introductory "Whereas" clauses, is the same as in S. J. Res. 145 of the 83d Congress. It is that the Supreme Court's ruling on March 15, 1954, confirmed the fact that the Federal Government had property, or proprietary, rights in these submerged lands. And consequently, by reason of the express exception in section 5 of the Submerged Lands Act, these lands did not pass to the coastal States.

In brief, the theory of this resolution is that the attempted giveaway failed because of the exception in section 5. The resolution confirms this and provides for Federal development of that which belongs to the people of the United States.

FEDERAL GOVERNMENT'S "PROPRIETARY" RIGHTS EXEMPTED FROM GIVEAWAY BY SECTION 5

It will be recalled that one of the leading sponsors of the submerged lands bill gave assurances in the hearings that there would be no "gift" to the coastal States because, he argued, the Federal Government had never possessed or exercised any ownership of the property. The sponsors' theory was that the bill would only confirm existing States' rights, not transfer away Federal property.

To make this interpretation doubly clear—and possibly to encourage and protect those other Members of Congress who supported them from the criticism that they were voting to give away property of the United States—the sponsors amended the bill in committee by inserting in section 5, in the express exceptions from the transfer, "all lands acquired by the United States—in a proprietary capacity."

Now it may well be true that some supporters of the bill would have voted for it, even if it had expressly and clearly provided for the transfer of Federal property to the coastal States. But that is not the bill that was passed. What did pass was a bill which clearly excepted lands held by the United States in a "proprietary capacity."

Unfortunately for the legal theory of the bill's sponsors, on March 15, 1954, the Supreme Court—in a regrettably brief per curiam opinion—referred to these offshore lands as "property belonging to the United States." It also cited as ruling its decision cases in which the opinions used the words, "public domain," "proprietor," "property belonging to the United States," and "public land."

This clearly evidenced the Court's ruling that the Federal Government did have proprietary rights in the offshore lands.

This being true, the exception in section 5 of the Submerged Lands Act, by its precise terms, applies to this situation. The attempted gift fails. And if Congress will confirm this situation by the passage of this resolution, the oil, gas, and mineral wealth in these areas will once more be held and developed in the name and for the benefit of the people of the entire country—instead of for the coastal States alone, which are now busily engaged in selling leases to these areas.

RECENT OFFSHORE LEASES PROVE TREMENDOUS VALUE OF RESOURCES THERE

Recent events in three respects heighten the importance of this measure. First, it is evident from the initial reports of the sale by the Federal Government of oil leases in the marginal sea—the outer shelf area not given away—that the estimates of gigantic oil, gas, and mineral resources there are fully shared by the oil industry. Close to $139 million was realized by the Federal Government in bonuses on lease sales off Louisiana's and Texas' coasts, announced last October and November. The Secretary of the Interior further predicted that future rentals (at $3 per acre) and royalties (at one-sixth) from these leases off Louisiana's shores would yield another half billion dollars over a period of years.

When it is remembered that these leases are reported to be for less than 1½ percent of the areas in the outer Continental Shelf off these two States—though doubtless they are among the most valuable of such areas—the aggregate value of the resources in the outer shelf, and in the inner band now being claimed and leased by Louisiana and Texas, must be obvious.

In the meantime, the States of Louisiana and Texas have proceeded with lease sales of submerged lands between the low-water mark and the so-called outer shelf, with bonuses of over $27 million reported on their most recent offerings and rentals and royalties of increasing size looming ahead.

Clearly the stakes are enormous, and this resolution would retain resources of great value for all the people.

COASTAL STATES' BOUNDARY CLAIMS BEYOND 3-MILE LIMIT CREATE GRAVE INTERNATIONAL PROBLEMS

In the second place, evidence is accumulating that the exorbitant boundary claims of the coastal States may create serious international problems, as the sponsors of the giveaway bill predicted in the debate in 1953. A dispatch from Ecuador, in the Chicago Daily News of April 21, 1955, reports that Ecuador, Chile, and Peru are asserting ownership claims in the marginal sea out 200 miles in the Pacific from their coasts. The dispatch reported that two American fishing vessels were captured at a point 26 miles offshore, and that the Ecuadorans were asserting that "the 3-mile limit is a thing of the past."

The dispatch further points out that these claims, if followed by other nations in narrow seas, like the Mediterranean and Caribbean, and in the Formosa Straits, may create grave difficulties for a great naval power like the United States. This was dramatically illustrated in the reports 3 weeks later concerning the resistance by American Sabrejet planes to the attacks of Communist MIGs between North Korea and Red China in which 2 MIGs were shot down.

The report in the Washington Post and Times Herald for May 11, 1955, stated that:

"International law recognizes only a 3-mile limit off a nation's coast as territorial waters. The Communist nations habitually claim 12 miles or more.

"Under international law allied planes can fly 3 miles off the North Korean coast up to the northern limit of the Yellow Sea without any legal violation of Communist territory."

Obviously, the precedents that might be established by validating the claims of the coastal States of the United States far beyond the 3-mile limit may rise to plague us, unless such a resolution as I am introducing is passed, and the asserted ownership of the coastal States beyond these limits is clearly denied. It is clearly in the national interest that the Nation's power and authority to deal with these rights in the marginal sea should not be impaired.

The full text of the article in the Chicago Daily News of April 21, 1955, is as follows:

"SET 200-MILE LIMIT—LATINS PUSH CLAIM TO OFFSHORE WATERS

"(By George Weller)

"GUAYAQUIL, Ecuador.—Uncle Sam's dispute about coastal sovereignty has arrived

at a most awkward possible time for American strategic interests. The 200-mile limit set by 3 Latin-American powers is wide enough to change materially our Formosa status.

"At the navy docks of this steaming, sprawling port almost exactly on the Equator are two American fishing vessels, captured prizes of the Ecuadoran Navy. At a point 26 miles offshore—well beyond the usual 3-mile limit—the chief engineer of the larger vessel, the 960-ton mother ship *Arctic Maid*, was hit by a shot fired by an excitable Ecuadoran Navy man. The crew surrendered and await trial.

"The Ecuadorans mean to shut out the Americans—and any other fishermen not licensed by them—from the rich cold waters of the Humboldt Current. 'The 3-mile limit is a thing of the past,' they said.

"The Ecuadorans, Chileans, and Peruvians are flatly asserting that everything within 200 miles of their shores is forbidden territory for foreign fishermen.

"Warships, passenger ships, freighters and anything else floating may sail within the boundary, unlicensed. But if the cook starts trolling over the stern he becomes a common poacher, subject to arrest.

"The three Latins all have navies. Ecuador, the weakest, is lifting its fleet to 2 destroyers and 6 new German-made cutters. By capturing the ships of Onassis, the Greek, the Peruvians were able to wring some $3 million in prize money from him.

"American tuna craft have been able to slip inside these 200-mile boundaries and get away with it. They may have been encouraged to do so by a congressional stopgap law providing for them to be reimbursed by the United States Government for any fines extracted from them by the Latins.

"The Ecuadorans talk tough, but they have not actually screened every square mile of the ocean or arrested every offender.

"For grabbing this 200-mile piece of the richest, rawest fishing grounds left to man the three Latins have what they regard as an excellent excuse.

"They point to the American assertion that the subsoil rights—meaning oil—to the coasts of the Caribbean extend as far out as the Continental Shelf.

"The Latins feel they are on safe ground in asking for a 200-mile slice.

"The South Americans might have pointed to the disappearance of the sardines from the California coast as an example—however unproved—of what happens when the Americans turn loose their submarine radar and their radio telephone linked fleets on the hapless fish.

"But the Latins have spurned this factual approach. They simply set the 200-mile limit—about the effective patrolling range of Ecuador's two aged United States Navy patrol planes—and made it theirs.

"What the Americans unmistakably fear is not a blow to the tuna industry, but an international race by all powers to claim ever broader areas of offshore jurisdiction.

"To the world's greatest naval power, already deeply committed in narrow seas like the Mediterranean and Caribbean, the prospect of unlimited extension of sea frontiers is disquieting."

ATTORNEY GENERAL'S ACTION IN LOUISIANA CASE WILL SURRENDER OFFSHORE RESOURCES OUT TO 3-MILE LIMIT

The third event of importance in the consideration of these issues is the motion filed by the Attorney General several weeks ago for a modification of the decree in the offshore oil case involving the State of Louisiana. The effect of this motion, if it is successful, may be not only (1) to cut off the boundary claims of Louisiana at the 3-mile mark, but also (2) to validate the claims of Louisiana to the submerged lands seaward from the low-water mark and out to the 3-mile limit without directing the Court's attention specifically to the significance of the exceptions in section 5.

While we may speculate as to why a similar motion has not yet been made in the case of Texas, we should perhaps rejoice that the chief law officer of the Government is proceeding to try to establish the priority of the Federal Government's claims to the submerged lands beyond the 3-mile limit. I am glad that he is at least resisting that part of the attempted giveaway which seemed to permit coastal State claims in the Gulf of Mexico seaward to a distance of 3 leagues, or approximately 10½ miles. We can be sure this matter will be hotly contested by Louisiana, and finally determined by the Court only after a full hearing on both sides.

At the same time, it will be unfortunate indeed if this new litigation acts to confirm the Louisiana ownership of the submerged lands between the low-water mark and the 3-mile limit. On this issue I fear there may not be adequate adversary proceedings to test the legal question fully. The Attorney General is asking that this band of the submerged lands be confirmed to the State of Louisiana, and obviously the State of Louisiana will be a willing recipient. In the Attorney General's motion he does note that Louisiana's rights are subject to the exceptions written by Congress into section 5 of the Submerged Lands Act. But he does not specify what these are, or describe their significance. And while excerpts from that law are printed in the brief, these excerpts do not include section 5. Furthermore, in the conclusion of his brief he ignores the exceptions in section 5 completely.

I repeat that it would be most unfortunate if the basic rights of the Federal Government to the submerged lands seaward from the low-water mark to the 3-mile limit are thus determined in proceedings which on that issue will be uncontested and in which the Attorney General has not even brought explicity to the attention of the Court the significance of a fundamental exception in the statute which invalidates the attempted gift to the coastal States.

For all these reasons, the resolution which I am introducing has great importance for the people of the United States. At the present time, and under the present administration, I must concede that the prospects for its favorable consideration may not be promising. It is essential, however, that the interests that the Federal Government has in these valuable resources not be forgotten or ignored, and that those who claim under leases from the coastal States be put on notice that the Federal rights have not been wholly surrendered. Then in due time, and by appropriate legislative and administrative action, we can still hope that the rights of the people to the people's property will finally be vindicated.

MELANIE SCHAFFNER BAKER—RECOMMITTAL OF BILL

On motion of Mr. PURTELL, the bill (S. 235) for the relief of Melanie Schaffner Baker was taken from the calendar and recommitted to the Committee on the Judiciary.

INCREASED LIMIT OF EXPENDITURES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ANDERSON (for Mr. MURRAY) submitted the following resolution (S. Res. 117), which was referred to the Committee on Rules and Administration:

Resolved, That the limitation of expenditures under Senate Resolution 37, 84th Congress, agreed to February 4, 1955, is hereby increased by "$3,000.00".

SEC. 2. The limitation of expenditures under Senate Resolution 39, 84th Congress, agreed to February 4, 1955, is hereby increased by "$4,750."

PRINTING OF ADDITIONAL COPIES OF PART I AND APPENDIX OF HEARINGS ON OPERATIONS OF CIVIL DEFENSE PROGRAM

Mr. RUSSELL submitted the following resolution (S. Res. 118), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Committee on Armed Services 1,000 additional copies of part I and appendix of the hearings held by said committee during the current session on operations and policies of the civil-defense program.

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. THYE:

Address delivered by Senator GOLDWATER before the Minnesota Retail Federation, Inc., at Minneapolis, Minn., on June 29, 1955.

By Mr. THURMOND:

Address delivered by Senator SMITH of Maine to the national convention banquet of the Reserve Officers' Association, Boston, Mass.

By Mr. DANIEL (for Mr. KILGORE):

Statement by Senator KILGORE and Associated Press article relating to the reversal by the Defense Department of its curb on news.

OIL IMPORTS

Mr. SCHOEPPEL. Mr. President, under date of June 23 there appeared in the Oil Daily an article entitled "Total Oil Imports Rise 11.5 Percent for Week; Well Above Year Ago."

Mr. President, the total imports of crude and petroleum products for the week ending June 17 were up 124,000 barrels from the average of the preceding week, and were up 227,500 barrels, or 23.4 percent, above the average in the comparable week of last year, 1954.

In the meantime, the domestic production of many of our oil-producing States has been cut back, particularly in some of the States, and especially in the State of Texas, where production is now being made on the basis of 15 allowable days for the months of June and July.

In view of the fact that not long ago the Senate considered an important bill in regard to reciprocal trade, I wish to point out what is happening to the domestic oil industry because of the importation of oil. I ask unanimous consent to have the article to which I have referred printed at this point in the body of the RECORD, as a part of my remarks.

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

TOTAL OIL IMPORTS RISE 11.5 PERCENT FOR WEEK; WELL ABOVE YEAR AGO

An increase in imports of crude oil accounted for the total increase of 11.5 percent in imports of crude and products in the week ended June 17.

Total imports of crude and products in the week averaged 1,201,500 barrels daily, up 124,000 barrels from the average of 1,077,500 in the preceding week, and were 227,500, or 23.4 percent, above the average of 974,000 in the like year-earlier week.

Imports in the 4-week period ended June 17 averaged 1,184,700 barrels daily, 163,400, or 16 percent, above the average of 1,021,300 in a like 4-week period a year ago.

Receipts of crude for the country as a whole were up 125,900 barrels daily in the week, averaging 844,500, compared with 718,600 in the preceding week, and were 189,900 higher than the average for the like year-earlier week.

Imports of crude east of California were 33.7 percent, or 205,400 barrels daily, higher in the latest week, averaging 814,200, compared with 608,800, but receipts in California declined 79,500, from 109,800 to 30,300 barrels daily.

Receipts of residual fuel showed little change, gaining 15,300 barrels daily in the week, from 316,700 to 332,000 barrels daily, but still held 78,800, or 31.1 percent, higher than the average of 253,200 in the like year-earlier week.

Imports of all other products declined in the latest week. No receipts of distillates were reported, compared with imports of 6,700 in the preceding week; asphalt declined from an average of 19,300 to 13,400 in the latest week, with receipts of other petroleum products off from 16,200 to 11,600 barrels daily.

OUTSTANDING ACCOMPLISHMENTS OF THE SENATE MAJORITY LEADER

Mr. SMATHERS. Mr. President, on the front page of this morning's issue of the Washington Post and Times Herald there appears an editorial suggesting that there has been some disagreement between the President and the majority leader of the Senate with regards to what has been accomplished by Congress during the present session. In fact, it has sometimes been suggested or implied that the President does not think that very much has been accomplished at the present session.

Mr. President, on the editorial page of the same issue of the Washington Post and Times Herald, which endorsed Mr. Eisenhower in his campaign in 1952, there appears an editorial which goes into detail in pointing out what a splendid and outstanding record the majority leader of the Senate has made and the Senate has made at this session in passing proposed legislation; and the editorial further points out that the accomplishments of our distinguished majority leader have probably been unexcelled in the United States Congress.

On behalf of the junior Senator from Missouri [Mr. SYMINGTON], I ask unanimous consent to have the editorial printed at this point in the RECORD.

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

MAJORITY LEADER

It was a queer combination of shortsightedness and irritation that led President Eisenhower yesterday to make such an unwarranted slur on the cooperation of the Democratic majority leader, Senator LYNDON JOHNSON. Understandably the Chief Executive is impatient about some of the pending legislation he wants passed, particularly the military reserve bill. Understandably, too, he may have been nettled by Senator JOHNSON's reference to the Eisenhower prediction last fall of a political cold war if the country did not return a Republican Congress. All political leaders are guilty of such silly extravagances at one time or another, and the best thing to do is to swallow them gracefully.

In any event, there has been precious little evidence of a political cold war, and Mr. Eisenhower's annoyance ought not to blind him to the substantial record of Senate legislative accomplishment made possible with Mr. JOHNSON's help. Let no one forget the Formosa defense resolution on which the Democrats rushed in to support the President without reading the fine print; the full foreign-aid authorization; the various treaties; the housing bill; the reciprocal trade bill; the confirmation of John von Neumann as an Atomic Energy Commissioner; the squelching of Senator MCCARTHY in a demonstration of solidarity behind the President for the Big Four negotiations. If not all of these items have emerged in precisely the form the President wanted, and if much remains to be done, the record still reflects an unusual degree of cooperation by the opposition party on major legislation.

On several occasions in the past this newspaper has been critical of Senator JOHNSON's leadership. We are happy to say that in this session of Congress he has exhibited a remarkable amount of finesse, understanding, and restraint in getting through important legislation quietly and with a minimum of controversy. Despite Mr. Eisenhower's tart comment, it is only fair to acknowledge that on many occasions Mr. JOHNSON has served the national interest more effectively than the leadership of the President's own party.

Mr. SYMINGTON. Mr. President, I thank the junior Senator from Florida for his courtesy. I had planned to request the printing in the CONGRESSIONAL RECORD of the editorial the Senator from Florida has submitted, and also the article which, only a few minutes ago, the distinguished Senator from Kentucky [Mr. BARKLEY] obtained consent to have printed in the RECORD.

Mr. President, I am very green as a legislator, but I have had some experience in the executive side of the Government and in private business. I should like to take this opportunity to say that in my opinion the distinguished majority leader of the Senate, the senior Senator from Texas [Mr. JOHNSON], is establishing a record for legislative efficiency in handling the business of the Senate and the problems of the country with which the Senate has to deal which may be unequaled in the history of the Senate.

Mr. BYRD. Mr. President, the issue of Newsweek of June 27, 1955, contains an article entitled "Senator LYNDON JOHNSON," from which I quote 2 or 3 sentences:

Senator LYNDON B. JOHNSON is big these days even for a Texan.

In Washington they say he puts his imprint on every new law.

In Texas they predict that he will be President of the United States when Dwight D. Eisenhower (another Texan) gives up the job.

I ask unanimous consent that the article be printed in the RECORD, and I wish at the same time to express my appreciation of the splendid work which is being performed by our majority leader. As a Democrat, I am proud that we have him as the leader of our party in the Senate.

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

Mr. BYRD. I yield.

Mr. HUMPHREY. I wish to have the privilege of joining with the senior Senator from Virginia in the comments he has made concerning the article relating to the majority leader, the distinguished senior Senator from Texas, LYNDON JOHNSON, which was published in Newsweek magazine.

The junior Senator from Minnesota finds those moments when he can join with his friend from Virginia very happy and pleasant ones. I welcome the opportunity to have this good association.

Mr. BYRD. I thank the Senator from Minnesota.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Virginia?

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

SENATOR LYNDON JOHNSON

Senator LYNDON B. JOHNSON is big these days, even for a Texan.

In Washington they say he puts his imprint on every new law.

In Texas they predict that he'll be President of the United States when Dwight D. Eisenhower (another Texan) gives up the job.

Samuel Shaffer, of Newsweek's Washington bureau, tells, in the following special report, why JOHNSON, as majority leader of the Senate, inspired such tall talk in Washington and in Texas.

"One day last week the United States Senate passed 90 bills, confirmed an Ambassador and a Federal Trade Commissioner, and then knocked off because it had temporarily run out of business. The elapsed time: 4 hours and 43 minutes. Washington was jolted to attention.

"For 'the greatest deliberative body in the world' this was probably some kind of record. Yet nobody in the Senate took any particular notice of it. For the Senators themselves had long since become accustomed to doing most of their deliberating quickly, quietly, and in private.

"Legislative prodigies of this kind had ceased to be a novelty to the legislators soon after January 1955, when LYNDON BAINES JOHNSON, senior Senator from Texas, became Senate majority leader.

"Some Senators had gone along with the election of JOHNSON against their better judgment. He was only 46—the youngest man ever to be entrusted with the leadership. Also, he had only 1 term behind him—and only 1 first-termer had ever held the job before.

"Even more important, liberal northern Democrats considered JOHNSON a conservative southerner, whereas conservative southern Democrats remembered that he first was elected to the House in 1937 as a Roosevelt man—a New Dealer who had served as Texas director of the National Youth Administration, and who, in that job, had been accused of doing too much for Negroes and Mexicans.

"But the Senators' doubts soon evaporated. Now JOHNSON has emerged not only as top man of the Senate, in fact, as well as title, but as the dominant force in Congress. Some of his colleagues think he has more influence over the legislative branch than anyone since Uncle Joe Cannon, once a czar of the House, and more power in contemporary Washington than anyone except the President.

"LET US REASON

"Yet nobody accuses him of trying to be a boss. He is a consummate politician who leads by persuasion. His favorite quotation

is from the Book of Isaiah: 'Come now, and let us reason together.'

"Eisenhower Republicans give JOHNSON the credit for alining this Congress solidly behind the administration's foreign policy and keeping it there. Most Democrats are grateful to him for unifying their party and holding it together through the season of Eisenhower ascendancy. The old southern Democratic-northern Republican coalition in Congress, which so often made life miserable for Presidents Roosevelt and Truman, is not a problem to President Eisenhower.

"JOHNSON has helped accomplish that—and doing so has not for a moment troubled his Democratic conscience. He has never forgotten what House Speaker SAM RAYBURN told him when he first came to Congress: 'The difference between Republicans and Democrats is that we don't hate their Presidents.' JOHNSON likes Ike—recently he joined with RAYBURN in presenting the President with a Texas steer in token of their esteem—and he will like doing all he can to defeat Mr. Eisenhower in 1956.

"THE PROS KNOW

"Paradoxical as this attitude may seem to outsiders, it is perfectly understandable to the pros who have remained in Congress long enough to be included in the senior echelon. They have accepted JOHNSON as one of their own. They like the way he does business. They have no patience with the double-domed political scientists who are beginning to wonder whether JOHNSON's facility as a Senate manager isn't compromising the Senate's function as a forum for the protracted debates which once were supposed to enlighten and guide the voting public. Under JOHNSON's leadership, the Senate sometimes disposes in a few minutes of issues that used to be debated for days and even weeks.

"Some Democratic politicians—most of them outside of Congress—question JOHNSON's strategy on more practical grounds. They think his compromising is overdone—that the party's long-range interests would be better served by fewer victories through compromise and more defeats on matters of principle. While conceding that JOHNSON's strategy may help reelect a Democratic Congress, they complain that it creates no issues on which a Democratic presidential nominee—Adlai Stevenson or any other candidate—can win votes.

"JOHNSON himself sees the Democratic problem and its solution in these terms:

"'The Democratic majority in the Senate is hair thin. If one Democrat deserts to a united opposition, then Vice President RICHARD M. NIXON can cast the deciding vote in the Senate. If two desert, then the Republicans control the Senate. This is not easy to explain to the country. So far as the public is concerned, this is a Democratic Congress. The people want results and not oratory or excuses.'

"Opposition for the sake of opposition is useless. The country is in no mood for partisan politics. If the President sends up bills the Democrats like, JOHNSON will get them passed. If he sends up bills the Democrats don't like very much, JOHNSON will try to substitute Democratic versions.

"It is foolish and politically futile to attempt to tear down Mr. Eisenhower's popularity. The GOP tried that with F. D. R. and got nowhere. The electorate will vote for the party which proves it can handle the people's business responsibly and ably.

"JOHNSON was born to politics. His paternal grandfather and later his father represented the 87th District in the Texas Legislature. Of his father, Sam Ealy Johnson, it was said that "he talked less and passed more bills than anybody." The son seldom makes speeches today. In his Senate office hangs this framed motto: 'You ain't learnin' nothing when you are talkin'."

"PROTEGE

"Sam Ealy Johnson helped elect a young Texan named SAM RAYBURN, speaker of the Texas Legislature. So RAYBURN took LYNDON JOHNSON under his wing when the youngster quit his teaching job and turned up in Washington in 1931 as secretary to Texas Congressman Richard Kleberg of the famed King Ranch. RAYBURN later applauded his protege's work for the National Youth Administration and his election to Congress as a Rooseveltian at a time when F. D. R. was fighting Congress over his court-packing plan.

"Roosevelt was so delighted with JOHNSON's victory that he took the Congressman-elect to Washington aboard his yacht and himself wangled JOHNSON's assignment to the Naval Affairs Committee. JOHNSON never had any trouble winning reelection to the House even though he didn't occupy his seat for a time during the Second World War—serving as an officer in the Navy in the Pacific theater instead and winning a decoration for gallantry under fire.

"JOHNSON made his first try for the Senate in 1941, and thought he had won, but was counted out in favor of 'Pappy' Lee O'Daniel. In 1948, he tried again and beat former Gov. Coke Stevenson by 87 votes in the wildest, closest contest in Texas history. This time Stevenson thought he'd been counted out. JOHNSON beat his nearest opponent by a healthy half million votes in 1954.

"LONG HOURS

"These days JOHNSON throws everything he has into the leadership job—the stamina of the 200-pound, 6-foot 3-inch physique, his political experience and his persuasive gifts. He ordinarily works through the evening with a staff which keeps him well briefed on legislative issues as they arise and on the quirks of Senators immediately concerned with them. He accepts no social engagements and spends what little time off he has with his wife, Lady Bird, and their two young daughters, Lydia Bird and Lucy Baines.

"JOHNSON now watches over aging SAM RAYBURN, once his mentor, as RAYBURN used to watch over him. Several times during this session of Congress—on one occasion at great hazard to his own health—JOHNSON has rescued RAYBURN from serious parliamentary predicaments. Once, for example, RAYBURN came within one vote of losing the Reciprocal Trade Agreements Act. JOHNSON set things right in the Senate by putting the bill through in a form acceptable to the President by a vote of 75 to 13.

"The Johnson formula for legislative success is rigorous. Energy is never frittered away on side issues. On those which count, everything is committed. Sleep is forgotten, meals are ignored, old friendships are revived, forgotten favors are recalled. Even airplane schedules are revised and motorcycle escorts provided to make certain not a vote is lost.

"TRIUMPHS

"The system has paid off in the Senate with a long list of triumphs. JOHNSON has pushed through the Democratic highway construction bill, the $1-an-hour-minimum-wage bill, the upper Colorado River Basin project, a foreign-aid bill which for the first time added to rather than cut the administration's figure, and a big public-housing program. About the housing bill, Senator DOUGLAS exclaimed, 'I am frank to say I did not think it could be possible.'

"It is JOHNSON's ambition to be one of the best Senators Texas ever produced and the 'best damn majority leader' in history. His presidential hopes, if any, are well concealed. Yet his name crops up more and more frequently in cloakroom conversation. As one colleague put it last week, 'After all, he's the ablest man we've got.' But he's also the most practical and realistic man they have, so he won't be running against Mr. Eisenhower in 1956. Come 1960, who knows?"

SALARIES OF JUDGES OF COURTS OF THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the immediate consideration of the conference report on the bill dealing with the salaries of judges of courts of the District of Columbia. The distinguished Senator from Oregon will submit the report.

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

Mr. MORSE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 727) to adjust the salaries of the judges of the Municipal Court of Appeals for the District of Columbia, the Municipal Court for the District of Columbia, the Juvenile Court of the District of Columbia, and the District of Columbia Tax Court.

The ACTING PRESIDENT pro tempore. The report will be read.

The legislative clerk read the report.

(For conference report, see House proceedings of June 29, 1955, p. 9510, CONGRESSIONAL RECORD.)

The ACTING PRESIDENT pro tempore. The question is on agreeing to the report.

The report was agreed to.

WAR RISK HAZARD AND DETENTION BENEFITS—REPORT OF A COMMITTEE

Mr. HILL. Mr. President, from the Committee on Labor and Public Welfare I report favorably, without amendment, House bill 6871, a bill to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, as amended, relating to war-risk hazard and detention benefits until July 1, 1956, and I submit a report (No. 692) thereon.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar.

Mr. HILL. Mr. President, I ask unanimous consent for the immediate consideration of the bill. I think it is imperative that the bill be passed today.

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

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

Mr. HILL. I yield to the distinguished Senator from California.

Mr. KNOWLAND. I understand this is the bill which the Senator discussed with me recently, a bill which is proposed by the administration. It does nothing but extend for 1 year the existing law. Is that correct?

Mr. HILL. The Senator is exactly correct. The bill would simply extend for 1 year the 2 acts I have mentioned. If the bill is not passed, these acts will expire at midnight tonight.

The bill proposes a 1-year extension of Public Law 784, 77th Congress, which provides for compensation benefits for certain employees of the United States or of contractors with the United States for injury or death proximately resulting from a war-risk hazard as defined therein, and section 5 (b) of Public Law 161, 79th Congress, which extends the Federal Employees Compensation Act, as amended, to provide workmen's compensation benefits to Federal civilian employees who suffer injury or death during a period of detention by an enemy force.

The Secretary of the Air Force, in a letter to the President of the Senate, dated June 8, 1955, requested this legislation. The Secretary stated:

This proposal is a part of the Department of Defense legislative program for 1955, and further, that there is general agreement that a major factor in recruiting competent personnel for overseas duty * * * is the protection offered for unusual risk of life or limb.

The bill has passed the House of Representatives, and the Department of Defense desires to have it passed by the Senate and become law, because the two statutes heretofore cited will expire at midnight tonight, and they should be continued.

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

There being no objection, the bill (H. R. 6871) to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, as amended, relating to war-risk hazard and detention benefits until July 1, 1956, was considered, ordered to a third reading, read the third time, and passed.

VISIT TO THE SENATE BY MEMBERS OF ROCKY MOUNTAIN COUNCIL, BOY SCOUTS OF AMERICA, LA JUNTA, COLO.

Mr. ALLOTT. Mr. President, there are present in the Senators' Family Gallery today a group of Boy Scouts from La Junta, Colo. They are all members of Rocky Mountain Council, and their project is the study of Indian dancing and customs of the Koshare Indians. I cannot allow their visit here to pass without mention, although it is rather unusual to introduce guests in the Senate.

These boys are all Boy Scouts. They must be high ranking Scouts. They must excel in their studies before they are permitted to be Koshare Indians. Then they engage in a long period of study and training under Mr. J. F. "Buck" Burshears, who is an authority on Indian dancing.

These boys are such good dancers that most Indians in the United States look up to them as authorities upon Indian dancing and folklore. They make their own costumes, and it is estimated that their costumes are of a value, roughly, of $100,000.

I am happy to introduce them at this time and to make these remarks, because I think that this type of activity is most admirable and is one of the best in which an American boy can engage. I wish we could have Koshare Indians all over the country.

Mr. President, would it be in order for me to ask them to rise?

The PRESIDING OFFICER. That is frequently done. Without objection, the guests in the gallery to whom reference has been made will rise.

(The group of Boy Scouts rose and were greeted with enthusiastic applause.)

The PRESIDING OFFICER. We are very glad to have these boys as guests of the Senate. They are fine looking boys. [Applause.]

NOTICE OF SUBCOMMITTEE MEETING TONIGHT

Mr. KEFAUVER. Mr. President, I wish to give notice that the Monopoly and Antitrust Legislation Subcommittee of the Committee on the Judiciary will hold a hearing this evening at 8 o'clock in room 420, Senate Office Building, for the purpose of hearing Mr. Rowland R. Hughes, Director of the Bureau of the Budget, and other witnesses in the committee's investigation of certain aspects of the Dixon-Yates contract.

THE CALENDAR

The PRESIDING OFFICER. If there be no further morning business, morning business is concluded, and the clerk will proceed with the call of the calendar, beginning, under the order entered yesterday, with Calendar No. 645, Senate bill 645.

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

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

The first measure in order on the calendar will be stated.

HEDI GERTRUDE SPIECKER

The bill (S. 717) for the relief of Hedi Gertrude Spiecker was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

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

SANTIAGO LANDA ARRIZABALAGA

The bill (S. 1084) for the relief of Santiago Landa Arrizabalaga was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

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

LUCA SALTARELLI

The bill (S. 1112) for the relief of Luca Saltarelli was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

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

DIMITRIOS ANTONIOU KOSTALAS

The bill (S. 1126) for the relief of Dimitrios Antoniou Kostalas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

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

EUGENIO MAIDA

The bill (H. R. 928) for the relief of Eugenio Maida was considered, ordered to a third reading, read the third time, and passed.

TAKAKO RIU REICH

The bill (H. R. 990) for the relief of Takako Riu Reich was considered, ordered to a third reading, read the third time, and passed.

PHILIP MACK

The bill (H. R. 1111) for the relief of Philip Mack was considered, ordered to a third reading, read the third time, and passed.

LEE HOUN AND LILY HO LEE HOUN

The bill (H. R. 1163) for the relief of Lee Houn and Lily Ho Lee Houn was considered, ordered to a third reading, read the third time, and passed.

CAROL BRANDON (VALTRUDE PROBST)

The bill (H. R. 1247) for the relief of Carol Brandon (Valtrude Probst) was considered, ordered to a third reading, read the third time, and passed.

FERENC BABOTHY

The bill (H. R. 1255) for the relief of Ferenc Babothy was considered, ordered to a third reading, read the third time, and passed.

CARLO NONVENUTO

The bill (H. R. 1281) for the relief of Carlo Nonvenuto was considered, ordered to a third reading, read the third time, and passed.

OLGA JOANNOU GEORGULEA

The bill (H. R. 1283) for the relief of Olga Joannou Georgulea was considered, ordered to a third reading, read the third time, and passed.

DAVID MORDKA BORENSTAJN AND OTHERS

The bill (H. R. 1287) for the relief of David Mordka Borenstajn, Itta Borenstajn nee Schipper, and Fella Borenstajn Reichlinger was considered, ordered to a third reading, read the third time, and passed.

CHIN YORK GAY

The bill (H. R. 1357) for the relief of Chin York Gay was considered, ordered to a third reading, read the third time, and passed.

CHARLES (CARLOS) GERLICZ

The bill (H. R. 1417) for the relief of Charles (Carlos) Gerlicz was considered, ordered to a third reading, read the third time, and passed.

STIJEPO BUICH

The bill (H. R. 1467) for the relief of Stijepo Buich was considered, ordered to a third reading, read the third time, and passed.

VICTOR MANUEL SOARES DE MENDONCA

The bill (H. R. 1472) for the relief of Victor Manuel Soares De Mendonca was considered, ordered to a third reading, read the third time, and passed.

ELEANORE HAUSER

The bill (H. R. 1473) for the relief of Eleanore Hauser was considered, ordered to a third reading, read the third time, and passed.

ROSS SHERMAN TRIGG

The bill (H. R. 1474) for the relief of Ross Sherman Trigg was considered, ordered to a third reading, read the third time, and passed.

WING CHONG CHAN

The bill (H. R. 1475) for the relief of Wing Chong Chan was considered, ordered to a third reading, read the third time, and passed.

ARDES ALBACETE YANEZ

The bill (H. R. 1525) for the relief of Ardes Albacete Yanez was considered, ordered to a third reading, read the third time, and passed.

MRS. BERTA MANSERGH

The bill (H. R. 2933) for the relief of Mrs. Berta Mansergh was considered, ordered to a third reading, read the third time, and passed.

EUFRONIO D. ESPINA

The bill (H. R. 3069) for the relief of Eufronio D. Espina was considered, ordered to a third reading, read the third time, and passed.

MRS. LEE TAI HUNG QUAN AND QUAN AH SANG

The bill (H. R. 3070) for the relief of Mrs. Lee Tai Hung Quan and Quan Ah Sang was considered, ordered to a third reading, read the third time, and passed.

VIRGIL WON (ALSO KNOWN AS VIRGILIO JACKSON)

The bill (H. R. 3075) for the relief of Virgil Won (also known as Virgilio Jackson) was considered, ordered to a third reading, read the third time, and passed.

JOHN AXEL ARVIDSON

The Senate proceeded to consider the bill (S. 550) for the relief of John Axel Arvidson, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of John Axel Arvidson. From and after the date of enactment of this act, the said John Axel Arvidson shall not again be subject to deportation by reason of the same facts upon which said deportation proceedings were commenced or any such warrants and order have issued.

The amendment was agreed to.

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

JOSEPH VYSKOCIL

The Senate proceeded to consider the bill (S. 1337) for the relief of Joseph Vyskocil, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

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

The amendment was agreed to.

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

TERESA ALICE TOWNSEND

The Senate proceeded to consider the bill (H. R. 1044) for the relief of Teresa Alice Townsend, which had been reported from the Committee on the Judiciary with an amendment, in line 6, after the word "of", where it appears the second time, to strike out "her admission" and insert "the enactment of this act."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

SOLOMON WIESEL

The Senate proceeded to consider the bill (H. R. 1155) for the relief of Solomon Wiesel, which had been reported from the Committee on the Judiciary, with an amendment in line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

JEAN-MARIE NEWELL

The Senate proceeded to consider the bill (H. R. 3074) for the relief of Jean-Marie Newell, which had been reported from the Committee on the Judiciary with an amendment in line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ASHER EZRACHI

The Senate proceeded to consider the bill (S. 315) for the relief of Asher Ezrachi, which had been reported from the Committee on the Judiciary with amendments in line 3, after the word "of", to insert "section 212 (a) (9) and"; in line 8, after the word "That", to strike

out "this exemption" and insert "these exemptions"; and at the beginning of line 9, to strike out "a ground" and insert "grounds"; so as to make the bill read:

Be it enacted etc., That, notwithstanding the provisions of section 212 (a) (9) and section 212 (a) (19) of the Immigration and Nationality Act, Asher Ezrachi may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided*, That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendments were agreed to.

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

BILLS PASSED OVER

The bill (S. 1835) to amend the District of Columbia Unemployment Compensation Act, as amended, was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (S. 59) to amend the Civil Service Retirement Act of May 29, 1930, as amended, was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

HAL A. MARCHANT

The bill (S. 1154) for the relief of Hal A. Marchant was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 27 of the Merchant Marine Act, 1920, as amended, the Secretary of the Treasury is authorized and directed to cause the gas screw vessel *Jenny*, official number 256330, now owned by Hal A. Marchant of Coulee Dam, Wash., to be documented as a vessel of the United States with full coastwise privileges, upon compliance with the usual requirements for documentation, so long as the vessel is owned, and shall continue to be owned, by a citizen of the United States and the said vessel *Jenny* shall be deemed to be entitled to engage in such trade so long as it is so documented.

JOSEPHINE RAY

The bill (S. 1220) for the relief of Josephine Ray was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of any laws conferring rights, privileges, or benefits upon widows of veterans of World War I, Josephine Ray, of Long Beach, Calif., shall be held and considered to have been lawfully married to William Thomas Ray (deceased, XC–1932111), a veteran of World War I, during the period from December 16, 1925, to October 7, 1948, the latter date being the date upon which the marriage between the said Josephine and William Thomas Ray was legally consummated, after the said persons discovered that the original marriage contract between them on December 16, 1925, was invalid.

SEC. 2. The said Josephine Ray shall be entitled to any benefits she becomes entitled to by reason of the enactment of this act as of the date of the death of her husband, William Thomas Ray.

DR. LOUIS J. SEBILLE

The bill (H. R. 989) for the relief of Dr. Louis J. Sebille was considered, ordered to a third reading, read the third time, and passed.

T. C. ELLIOTT

The bill (H. R. 2470) for the relief of T. C. Elliott was considered, ordered to a third reading, read the third time, and passed.

E. S. BERNEY

The bill (H. R. 3194) for the relief of E. S. Berney was considered, ordered to a third reading, read the third time, and passed.

JOHN LLOYD SMELCER

The bill (H. R. 3271) for the relief of John Lloyd Smelcer was considered, ordered to a third reading, read the third time, and passed.

HAROLD SWARTHOUT AND L. R. SWARTHOUT

The Senate proceeded to consider the bill (S. 476) for the relief of Harold Swarthout and L. R. Swarthout, which had been reported from the Committee on the Judiciary with an amendment. On page 1, line 10, after the word "April", to strike out "2" and insert "3", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Harold Swarthout the sum of $10,000, in full satisfaction of the claim of the said Harold Swarthout against the United States for compensation for permanent injuries sustained as a result of the severe burns he received when an Army practice bomb that he was examining, while playing in the yard of a neighbor on April 3, 1943, exploded when accidentally dropped, and (2) to L. R. Swarthout, of Burns, Oreg., father of the said Harold Swarthout, the sum of $4,625.20, in full satisfaction of his claim against the United States for reimbursement of medical, nursing, hospital, and other expenses incurred by him on account of the injuries so sustained by the said Harold Swarthout: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

PAUL E. MILWARD

The Senate proceeded to consider the bill (H. R. 1745) for the relief of Paul E. Milward, which had been reported from the Committee on the Judiciary with an amendment on page 1, at the beginning of line 11, to strike out "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any persons violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000," and in lieu thereof to insert "That Paul E. Milward executes a release of the judgment entered in the case of Paul Milward against Peter C. Penta, No. 175385, in the municipal court of the city of Boston, on or about January 6, 1953: *And provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any persons violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

TENNESSEE C. BATTS

The Senate proceeded to consider the bill (H. R. 2769) for the relief of Tennessee C. Batts, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 10, after the word "refund", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

RODOLFO C. DELGADO, JESUS M. LAGUA, AND VINCENT D. REYNANTE

The Senate proceeded to consider the bill (H. R. 3363) for the relief of Rodolfo C. Delgado, Jesus M. Lagua, and Vincent D. Reynante, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 7, after the word "Act", to strike out "in excess of 10 percent of any claim."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ERNEST B. SANDERS

The Senate proceeded to consider the bill (S. 415) for the relief of Ernest B. Sanders, which had been reported from the Committee on the Judiciary with amendments on page 1, line 6, after the word "of", where it appears the second time, to strike out "$25,000" and insert "$15,000", and on page 2, line 2, after the word "Act", to strike out "in excess of 10 percent thereof", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernest B. Sanders, of Miami, Fla., the sum of $15,000, in full and final settlement of all claims against the United States for personal injuries, pain and suffering, permanent disability, and loss of earnings sustained by him and resulting from an accidental and improper division of or injury to an artery while he was a patient in the United States Marine Hospital at Savannah, Ga., during March of 1933: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

EXTENSION OF INCREASE IN PUBLIC DEBT LIMIT—BILL TEMPORARILY PASSED OVER

The bill (H. R. 6992) to extend for 1 year the existing temporary increase in the public debt limit was announced as next in order.

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

Mr. JOHNSON of Texas. Mr. President, I shall shortly move that the Senate proceed to the consideration of the bill. I ask unanimous consent that it go over for the present.

The PRESIDING OFFICER. Without objection, the bill will be temporarily passed over.

HIGHWAY CONSTRUCTION CO. OF OHIO, INC.

The Senate proceeded to consider the bill (H. R. 4182) for the relief of the Highway Construction Co. of Ohio, Inc., which had been reported from the Committee on Finance with an amendment on page 1, line 10, after the word "amended", to strike out "*Provided*, That the suit authorized hereunder shall be instituted within 90 days after the date of enactment of this act: *Provided further*, That the passage of this act shall not be construed as an inference of liability on the part of the Government of the United States" and in lieu thereof, to insert "*Provided*, That in making such determination of the excessive profits of the Highway Construction Co., the Tax Court of the United States may take into consideration the affiliation of that company with any other company, but the findings of such court shall be limited to determining only the amount, if any, of the excessive profits of the Highway Construction Co. and such court shall have no authority under this act to determine the amount, if any, of the excessive profits of any company affiliated with such Highway Construction Co.: *Provided further*, That the Tax Court shall have jurisdiction to determine the excessive profits of the Highway Construction Co. under this act only if such company files a petition with such court for redetermination within 90 days (not counting Sunday or a legal holiday in the District of Columbia as the last day) after the date of enactment of this act."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS UNDER GOVERNMENT ORDERS — BILL TEMPORARILY PASSED OVER

The bill (H. R. 5560) relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes, was announced as next in order.

Mr. JOHNSON of Texas. Mr. President, I shall shortly move that the Senate proceed to the consideration of this bill. I ask that it be temporarily passed over.

The PRESIDING OFFICER. Without objection, the bill will be passed over temporarily.

HIGHWAY MODERNIZATION IN CONNECTICUT

The Senate proceeded to consider the bill (S. 1577) to enable the State of Connecticut to proceed with its program of highway modernization, which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and insert:

That section 2 of the act approved August 7, 1939 (53 Stat. 1234), entitled "An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Hartford, Conn.," and section 2 of the act approved April 24, 1946 (60 Stat. 122), entitled "An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commmission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.," are each amended to read as follows:

"SEC. 2. The last sentence of section 4 of such act of March 23, 1906, shall not be applicable to the bridge constructed pursuant to the provisions of this act."

SEC. 2. Nothing in this act shall be construed as amending any provision of existing Federal law relating to the expenditure of Federal-aid highway funds.

The amendment was agreed to.

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

The title was amended so as to read: "A bill to amend the acts granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate toll bridges across the Connecticut River."

ESTABLISHEMENT OF COMMON BOUNDARY OF STATES OF MARYLAND AND DELAWARE

The bill (S. 987) to authorize the Secretary of Commerce, acting through the Coast and Geodetic Survey, to assist the States of Maryland and Delaware to establish their common boundary was announced as next in order.

Mr. HRUSKA. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. In line 8, after the word "resurvey", it is proposed to strike out "the common boundary between the States of Maryland and Delaware" and insert "that part of the common boundary running generally north and south between the States of Maryland and Delaware which was originally surveyed and marked by Charles Mason and Jeremiah Dixon in the years 1763–1767."

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

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

Be it enacted, etc., That the Secretary of Commerce, acting through the Coast and Geodetic Survey, is authorized and directed, upon the joint request of (1) the Board of Natural Resources of the State of Maryland, and (2) the State Archivist and the Chief Engineers of the Highway Department of the State of Delaware, to resurvey that part of the common boundary running generally north and south between the States of Maryland and Delaware which was originally surveyed and marked by Charles Mason and Jeremiah Dixon in the years 1763–1767.

The PRESIDING OFFICER. That completes the call of the calendar.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS UNDER GOVERNMENT ORDERS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of order 695, H. R. 5560.

The PRESIDING OFFICER. The secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5560) relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

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, which had been reported from the Committee on Finance with an amendment on page 2, after line 12, to strike out:

(b) The amendment made by subsection (a) shall be effective on and after July 1, 1955.

And in lieu thereof to insert:

(b) The amendment made by subsection (a) shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after July 1, 1955, and before July 1, 1958.

The amendment was agreed to.

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

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

EXPLANATION OF H. R. 5560, TO PERMIT THE FREE ENTRY OF PERSONAL AND HOUSEHOLD EFFECTS OF CITIZENS RETURNING FROM EXTENDED FOREIGN ASSIGNMENTS

In 1942 the Congress recognized the hardship that might be imposed on military and civilian personnel by requiring that they pay duty on personnel and household goods which they had used while living abroad, and adopted a law permitting the free importation of those goods. That law expired upon the day following the proclamation of peace by the President. However, Congress then extended the law until April 1, 1953, and it was again extended until July 1, 1955.

The House felt that this privilege of free importation should be made permanent. However, the Finance Committee, aware that there will be large numbers of military and civilian personnel abroad for some time to come, nevertheless sees the possibility of abuse and felt that it should occasionally review this free-entry privilege. Congress has relinquished a great deal of its tariff-making reponsibility and in cases where abuses can arise it was felt advisable to take the little time necessary to see that the law is operating properly. The bill does prevent some abuses, by requiring that the person returning must have been on extended foreign assignment and it limits the amount of liquor and tobacco products that can be brought in.

I have been informed that the Ways and Means Committee concurs in the amendment made by the Finance Committee limiting the period of this free entry to 3 years.

The bill also gives American personnel located on Johnston Island in the Pacific the same privileges granted to personnel situated on Midway, Wake Island, and other locations in that area.

The Department of Defense has asked for this bill, and the committee has encountered no objection from any source.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 5560) was read the third time and passed.

EXTENSION OF INCREASE IN PUBLIC DEBT LIMIT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 693, H. R. 6992.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6992) to extend for 1 year the existing temporary increase in the public debt limit.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

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

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Nevada [Mr. MALONE] desires to be on the floor before the bill is discussed. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNWILLINGNESS OF NATIONAL LABOR RELATIONS BOARD TO DEAL WITH CERTAIN LABOR-MANAGEMENT DISPUTES IN THE HOTEL INDUSTRY

Mr. DOUGLAS. Mr. President, I have recently been concerned over the apparent unwillingness of the National Labor Relations Board to deal with certain labor-mangement disputes in the hotel industry that have resulted in costly and long-continued strikes and have had a serious impact on interstate commerce.

The most recent example of this is in Miami and Miami Beach, Fla., where 3,000 persons are still reported to be out on strike following the refusal of the hotel mangements to deal with their organizational representatives.

The reported policy under which the NLRB refuses to act to resolve this kind of representation dispute seems to me contrary to the stated purposes of the Labor-Management Relations Act of 1947.

Accordingly, Mr. President, I addressed a letter to NLRB Chairman Guy Farmer on June 16, 1955, questioning the Board's policy in refusing jurisdiction in all hotel cases and indicating that I hoped that disputes of the magnitude of the current controversies in Florida would not be left to the "law of the jungle" for their solution and that the Board would reconsider its policy on the hotel industry.

I have received a reply from Chairman Farmer which relates the history and enclosed several copies of the Board's decisions, but still does not, in my opinion, justify them adequately. I note in passing—for such encouragement as it may give—that he says the Board will, as in all cases, carefully reexamine its policy in any specific case that may be filed.

I have also received a reply from Board Member Abe Murdock, to whom, with all other Board members, I had sent a copy of my letter to the chairman. Mr. Murdock's reply briefly outlines his previously stated grounds for dissenting from the Board's policy. In my opinion, he states the sound position on this issue. He also calls attention to the interesting fact that the Board's policy resulted in the most recent case in denying the Board's remedies to a hotel employer which had petitioned for relief—Caribe Hilton Hotel, May 6, 1955.

Because of the importance of this issue of the NLRB's jurisdiction over hotels and its bearing on future action in the Board, and possibly in Congress, I ask unanimous consent that my letter to Chairman Guy Farmer, and the replies of Chairman Farmer and Board member Abe Murdock, together with the NLRB opinions transmitted by Mr. Farmer, be printed at this point in the CONGRESSIONAL RECORD.

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

UNITED STATES SENATE,
June 16, 1955.

Mr. GUY FARMER,
Chairman, National Labor Relations Board, Washington, D. C.

DEAR MR. FARMER: It has come to my attention that the National Labor Relations Board has adopted a policy of refusing to exercise jurisdiction in the hotel industry as such.

In the light of the obvious impact upon commerce which a labor dispute in the hotel industry would have, I am at loss to understand the determination which is presently the Board's policy. I have carefully examined the act and do not find in it any basis for the exclusion of an entire industry when such industry involves interstate commerce.

On the contrary, the findings and policies contained in section 1 of title I provide as follows:

"It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection."

In the light of these expressions of policy I am at complete loss to understand the limitation which the Board has adopted, excluding the hotel industry from the process of the National Labor Relations Board's jurisdiction and supervision.

The press has carried an account of the serious labor dispute in Miami and Miami Beach wherein more than 3,000 people are said to be on strike by virtue of the refusal of management to deal with the organization representing these people. The reports indicate that the tourist trade, which is the largest industry of the State of Florida, has suffered serious setbacks by reason of this labor dispute. The industry of Florida, dependent upon the flow of tourist traffic to Miami, is apparently also suffering

serious losses. Florida has no Labor Relations Act, and unless the Federal law applies to the situation, there seems to be no means of terminating this interruption to interstate commerce by an orderly process.

I am concerned that a dispute of this magnitude should be left to the "law of the jungle" for its solution.

Will you please advise me of the basis for the Board's present determination of policy, together with a case record, if there be such, which led to its adoption?

In the light of recent developments in Florida and possibly elsewhere, will you be good enough to advise me also what the chances are for a thorough review and reconsideration of this policy by the Board?

Faithfully yours,

PAUL H. DOUGLAS.

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C., June 24, 1955.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: In reply to your letter of June 16 I am sending you herewith a copy of the decision of the Board dated January 17, 1951, in a case involving the Hotel Association of St. Louis. This is the most detailed statement of the Board's position since the creation of the Board in 1935 on the questions which you have raised. You will note that the Board members were divided in their views, with Chairman Herzog, Member Houston, and Member Styles voting not to exercise jurisdiction in the hotel industry, consistent with Board policy evolved early in the Board's history under the Wagner Act. Members Reynolds and Murdock dissented. The reasons pro and con are set forth in such detail in that decision that there is little that I can add now. Subsequent Board rulings involving hotels have been less detailed and have cited the St. Louis case. The most recent occasion on which the Board did so was last October in our decision in the Virgin Isles Hotel, Inc., case, a copy of which is also enclosed.

You will note that the petitioner in the St. Louis case was the International Union of Operating Engineers, AFL, which was the only party urging that the Board exercise jurisdiction. The employers and all the intervening labor organizations urged the Board not to exercise jurisdiction. The intervenors included the labor organizations predominant in the hotel industry and active now in connection with the Miami Beach hotel problem. At the oral argument before the Board on November 9, 1950, in the St. Louis case the representative of the intervenors said:

"Now the Hotel and Restaurant Employees International Union is opposed to the Board's changing its position in regard to its jurisdiction in this industry. We have been, over a period of years, accustomed to dealing along the lines of those developed in the industry that do not require the assistance of the National Board.

"I say to you that if you have the industry representative and the major hotel representative or rather union representatives both say: We don't want you to take jurisdiction, why should you force upon such a large segment of the industry your services to the detriment of the industry, to the detriment of peaceful labor relations in the industry? You have much better need and greater demands upon the facilities of your Board than to force them upon an industry that doesn't require them.

"This seems to me to be a case on which you should apply your discretionary authority and limit your jurisdiction to where it will do the most good. You must of necessity. You have limitations upon your finances and staff. * * *" (Transcript of official report of proceedings before the National Labor Relations Board, Nov. 9, 1950, pp. 52 to 62.)

The employers filed an elaborate brief in support of their contention that the Board should not exercise jurisdiction in the hotel industry. The brief reviewed the history of the problem, together with the legal and policy questions involved. At page 23 it states:

"The employers in the hotel industry see no necessity for the Board to assert jurisdiction over hotels. While employers in other industries have exercised their rights under the Labor Management Relations Act to utilize the services of the Board, both in representation cases and in unfair labor practice cases, no employer in the hotel industry has found it necessary or desirable to bring any case of any kind to the Board. In each of the few hotel cases which have been brought to the Board by others, the employers, as in the instant case, have opposed the Board's assertion of jurisdiction. This is understandable in view of the fact that labor relations in the hotel industry are well stabilized, adequately and satisfactorily handled by other existing machinery."

Because you asked for the case record which led to adoption of the Board's policy with respect to jurisdiction over hotels, I am enclosing herewith the transcript of the hearing held in the field in the St. Louis case, the transcript of the oral argument before the Board in Washington, and the exhibits and formal file containing all the briefs. This material has been stored in the Federal Records Center at Alexandria. When you no longer need this material please return it to me so that I can arrange to have it put in storage again for future reference.

In your study of this problem you may also wish to examine the transcript of the hearing conducted by subcommittees of the Committee on Education and Labor and of the Committee on Expenditures in the Executive Departments, House of Representatives, 80th Congress, 2d session, May 7, 1948, in which various representatives of the hotel industry and unions in the hotel industry urged that the Labor Management Relations Act, 1947, not be applied in the hotel industry.

With respect to your inquiry about the chances for Board reconsideration of the hotel jurisdiction policy, I can only advise you that as cases arise from time to time in all industries the Board reexamines its policies. Regional offices normally dismiss hotel cases without formal hearing, but dismissals of petitions for elections are subject to review by Board members upon application of petitioners. As such cases come before the Board in the future, we shall, of course, give them our most careful consideration.

Sincerely yours,

GUY FARMER,
Chairman.

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C., June 23, 1955.

The Honorable PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: This will acknowledge receipt of the copy of your letter, dated June 16, addressed to Guy Farmer, Chairman of the National Labor Relations Board, with respect to the Board's policy of refusing to exercise jurisdiction in the hotel industry as such.

When I have seen whatever reply the Chairman or a majority of the Board decide to send you, I may wish to send you my views in greater detail. Meanwhile, I wish personally to advise you that I am in full agreement with your conclusion that there is no basis in the act for the exclusion by the Board of an entire industry, when such industry involves interstate commerce; and that I share your concern over a policy pursued by a majority of the Board which precludes it from using its facilities to deal with labor disputes in the hotel industry which may have a serious effect upon interstate commerce, such as you refer to in Miami and Miami Beach.

I might mention that the Board's policy not to assert jurisdiction over hotels in the 48 States dates back to an earlier period of limited budgets when the Board did not assert jurisdiction over local transit systems, the building and construction industry, and other enterprises deemed essentially local or not justifying the attention of the Board's limited personnel and funds. However, despite the more generous budgets under the Taft-Hartley Act and the Board's assumption of jurisdiction in building construction and other areas formerly neglected, the Board has continued its "hands-off" policy over the hotel industry in the 48 States. This issue first arose during my tenure as a Board member in *White Sulphur Springs Company* (85 NLRB 1487), in which former member Reynolds and I dissented from this policy and the refusal to take jurisdiction. Again, in *Hotel Association of St. Louis* (92 NLRB 1388), we likewise dissented from the majority policy, which the majority decision there indicates is based upon a tenuous fragment of post-legislative history to support a conclusion that Congress never intended that the Board take jurisdiction of the hotel industry.

The present Board has not only adhered to the no-jurisdiction policy over the hotel industry in the 48 States, but has extended it to the Territories, despite the fact that the Board has traditionally asserted jurisdiction over hotels in the Territories and the District of Columbia because of its plenary jurisdiction in those areas. I was the lone dissenter from the refusal to take jurisdiction in the case last mentioned, *The Virgin Isles Hotel, Inc.* (110 NLRB No. 65). I likewise was the lone dissenter from the Board's very recent refusal to assert jurisdiction over the Caribe Hilton Hotel in Puerto Rico, which has a gross business of $4 million per year. This was not a published decision, but a minute denying the employer's appeal from the Regional Director's dismissal of its RM position pursuant to the policy referred to. (Case 24-RM-34, Board action May 6, 1955.)

I share your concern that disputes of the magnitude of those involved in the Florida hotel situation be left to the "law of the jungle" for solution because of the failure of this Board to assert jurisdiction and the absence of any State labor relations law. I would comment that this situation is merely one example of scores which have been created by the action of a majority of the present Board in adopting a new restrictive jurisdictional policy a year ago which removed countless employers and employees from the coverage of the act without regard to the fact that similar "no man's lands" were being created. In my basic dissent from this slash in the Board's jurisdiction in *Breeding Transfer Co.* (110 NLRB No. 64), I pointed out that there was no budgetary or other administrative justification for this cutback and that it was an invasion of the authority of Congress to decide on the proper allocation of power between the Federal Government and the States.

Sincerely yours,

ABE MURDOCK,
Member of the Board.

UNITED STATES OF AMERICA—BEFORE THE NATIONAL LABOR RELATIONS BOARD—IN THE MATTER OF HOTEL ASSOCIATION OF ST. LOUIS, EMPLOYER, AND INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCALS 2, 2A, 2B, 2C, AFL, PETITIONER—CASE NO. 14-RC-899

DECISION AND ORDER

Upon a petition duly filed, a hearing was held before Harry G. Carlson, hearing officer. The hearing officer's rulings made at the

hearing are free from prejudicial error and are hereby affirmed. At the hearing, the employer moved to dismiss the petition on the ground, among others, that it is not engaged in commerce within the meaning of the act. For the reasons stated hereinafter, the motion is hereby granted.[1]

On November 9, 1950, at Washington, D. C., the Board heard oral argument, in which all parties participated.[2]

Upon the record in this case, the Board finds:

THE BUSINESS OF THE EMPLOYER

The Hotel Association of St. Louis is a voluntary association of 22 hotels located in St. Louis, Mo. Sixteen of the 22 hotels have designated the association as their agent for the purpose of collective bargaining.[3] During 1949, the employer's members[4] collectively did an aggregate business of over $15 million. Of $6,800,000 received from room rentals, over $2,400,000 was received from guests who came from outside the State of Missouri.

During 1948 supplies and equipment purchased by the employer cost $6,300,000. Of this amount, over $800,000 was paid for supplies and equipment shipped to the hotels directly from points outside the State of Missouri. The remainder was purchased within the State, of which an undetermined amount originated outside the State of Missouri. Among the purchases known to have originated outside the State of Missouri, although locally obtained, were meats and food from Armour & Co. exceeding $97,000, and coal in an amount exceeding $50,000. The employer stipulated that approximately 65 percent of the purchases of liquor and cigarettes, which totaled more than $500,000, originated outside the State of Missouri. All purchases of the employer, wherever obtained, are utilized locally in serving the hotels' guests.

Both the employer and the intervenors, the predominant labor organizations in the hotel industry, urge that the Board adhere to past precedent by declining to exercise jurisdiction here. We think that their joint contention is entitled to great weight.

For the purpose of clarifying and defining "where the difficult line can best be drawn," the Board recently announced that it would utilize certain standards—many of them arithmetic—as a guide in determining whether or not to exercise jurisdiction in cases where earlier precedent had sometimes appeared uncertain. We pointed out at the time that these standards reflected, "in large measure, the results reached in the Board's past decisions disposing of similar jurisdictional issues."[5] Were we to judge this case by those standards alone, jurisdiction should be exercised here. In our opinion, however, there are other and weightier considerations present in this case. Surely this Board did not intend by announcing these standards, and should not now, completely divest itself of power to decline to take jurisdiction upon the basis of other factors, in that rare situation where we are convinced that the Board would otherwise have to sacrifice the evident purposes of Congress in the interest of mere blueprint consistency.

As was said in the majority opinion in the Greenbrier Hotel case,[6] "nothing in the legislative history of the present act indicates dissatisfaction by the Congress with the Board's long-standing policy,"[7] running back to 1935, not to assert jurisdiction over hotels. This interpretation of congressional intent is borne out by the opinion expressed on the floor of the Senate on August 30, 1949,[8] when, upon questioning by Senator Pepper, Senator Taft said, without opposition being voiced by any other Senator, that "* * * The Taft-Hartley law did not change in any way the language providing for the jurisdiction of the Board, or the general definition of interstate commerce. * * * It was not my intention in 1947, nor do I believe it was the intention of other members of the Committee on Labor and Public Welfare, to broaden or extend the jurisdiction of the Board in that respect. In fact, I feel very strongly that it should not be done. * * * A hotel performs its service within four walls. It ships nothing into commerce. It produces no goods for commerce. In my opinion the act was never intended to cover the hotel industry."

This expression of Senate views coincides exactly with the views set forth by those Members of the House of Representatives who recently had occasion to inquire into and to comment officially upon the same subject.[9]

We have carefully reexamined the Board's policy of not exercising jurisdiction over the hotel industry, in the light of the record and of the position of the parties as set forth in the briefs and oral argument in this case. We do not believe that a settled policy, endorsed by all those Members of Congress who have recorded an opinion on the subject, should be lightly overturned by the action of this administrative Board. And certainly no persuasive reasons have been presented to warrant overturning it in this case. Indeed, by doing so we would contribute to uncertainty, not to that certainty toward which the earlier decisions were directed and to which our colleagues allude.[10]

Pending a showing, therefore, of any new congressional desire that this Board reverse a long-established policy upon which State boards, the industry, and its predominant labor organizations have come to rely, we shall continue to adhere to that policy. Although we do not find, as originally urged by the employer, that it is not engaged in commerce within the meaning of the act, we shall, consistent with past precedent, decline to assert jurisdiction here.

ORDER

It is hereby ordered that the petition filed herein be and it hereby is dismissed.

Signed at Washington, D. C.

[SEAL] NATIONAL LABOR RELATIONS BOARD,
PAUL M. HERZOG, *Chairman.*
JOHN M. HOUSTON, *Member.*
PAUL L. STYLES, *Member.*

James J. Reynolds, Jr., and Abe Murdock, members, dissenting: We would assert jurisdiction in this case. The Board is confronted with a petition involving an employer association comprising substantially all the important hotels of a great industrial city. Its members did in excess of $15 million worth of business in a single year, of which $2,400,000 represented room rentals paid by out-of-State guests. Purchases of supplies and equipment exceeded $6,300,000 in 1948; of this more than $800,000 in amount was imported directly from outside Missouri while substantial additional amounts originated outside. Several of the member hotels are units of 3 large multistate hotel chains—the Albert Pick system which operates 26 hotels in 9 States, the Sheraton system which operates 22 hotels in 10 States, and the Statler system which operates 8 hotels in 7 States.

On this record it cannot be gainsaid that the employer's operations have a substantial and important effect on interstate commerce. Indeed, our majority colleagues specifically reject the employer's contention that it is not engaged in commerce within the meaning of the act. The only difference of opinion which exists between the majority and the dissenters, therefore, is with respect to the determination whether it would effectuate the policies of the act to assert jurisdiction which clearly exists.

As pointed out in the majority opinion, the Board has recently unanimously adopted a set of standards by which to determine the question whether as a matter of policy it should exercise its jurisdiction in specific cases. Applying these standards to the case before us it is clear that the employer meets three criteria contained therein, any one of which would require the assertion of jurisdiction. Thus the employer has out-of-State inflow exceeding the $500,000 minimum specified in the standards.[11] Also, as noted, several of the hotels are units of large multistate hotel chains. We should, therefore, take jurisdiction of them and the association[12] under the section of the policy covering establishments which, even though local

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[1] In view of our disposition of this matter, it is unnecessary to pass upon the validity of the other contentions of the employer as grounds for dismissal of the petition.

[2] As joint contractual representative, local joint executive board of the Hotel and Restaurant Employees International Alliance and Bartenders International League of America; Hotel and Restaurant Employees and Bartenders International Union; Waiters, Local No. 20; Waitresses, Local Union No. 249; Bartenders, Local Union No. 51; Cooks and Pastry Cooks, Local Union No. 26; Miscellaneous Hotel Employees, Local Union No. 430; Building Service Employees Union, Local 50 E; and International Brotherhood of Firemen and Oilers, Local No. 6, AFL, intervened and participated in the oral argument as well as the hearing. They are referred to below as the intervenors.

[3] Those 16 hotels are: Jefferson, Lennox, Mayfair, Sheraton, Statler, Fairmont, Majestic, Warwick, Claridge, De Soto, Fairgrounds, Gatesworth, Kings-Way, Mark Twain, Melbourne, and Roosevelt. Four are members of interstate chains.

[4] Consistent with well-established policy, we treat the association of 16 employers involved herein as a single enterprise and as the "employer" in passing upon this jurisdictional issue. See *Indianapolis Cleaners and Launderers Club* (87 NLRB No. 75) and cases cited therein.

[5] The cases which set forth these criteria were *WBSR, Inc.* (91 NLRB No. 110); *W. C. King d/b/a Local Transit Lines* (91 NLRB No. 96); *The Borden Company, Southern Division* (91 NLRB No. 109); *Stanislaus Implement and Hardware Company, Limited* (91 NLRB No. 116); *Hollow Tree Lumber Company* (91 NLRB No. 113); *Federal Dairy Co., Inc.* (91 NLRB No. 107); *Dorn's House of Miracles, Inc.* (91 NLRB No. 82); *The Rutledge Paper Products, Inc.* (91 NLRB No. 115); and *Westport Moving and Storage Company, Crate Making Division* (91 NLRB No. 149).

[6] *The White Sulphur Springs Company* (85 NLRB 1487 (1949)).

[7] See last two paragraphs of the opinion of the Supreme Court of the United States in *N. L. R. B.* v. *Gullett Gin Company, Inc.*, decided January 15, 1951.

[8] CONGRESSIONAL RECORD, volume 95, part 9, pages 12471 and 12472.

[9] Hearings and report of the Committee on Expenditures (1948); H. Rept 2050, 80th Cong., 2d sess.

[10] The references in the dissenting opinion to the *Westport Storage* case (91 NLRB 149), and to the hotel industry as an enterprise affecting national defense, would perhaps be more impressive if the Hotel Gazette—hardly an official document—upon which our colleagues rely were in the record, so that its significance in this context could have been explored by the parties.

[11] Federal Dairy Co., Inc. (NLRB No. 107).

[12] As the majority opinion notes, it is the Board's well-established policy to treat an association as a single enterprise in determining whether jurisdiction should be asserted; if the activities of some employer-members of an association are such that the Board would assert jurisdiction over them,

in character, are operated as parts of a multistate enterprise.[13]

The third criterion requiring the assertion of jurisdiction here in that part of the Board's new policy announced October 11 in *Westport Moving and Storage Company* (91 NLRB No. 149). There is a unanimous Board found that "it will effectuate the policies of the act to assert jurisdiction over enterprises which substantially affect the national defense." The Board took jurisdiction of an individual proprietorship in Kansas City, Mo., having 2 employees engaged in moving and storage operations and 10 employees engaged in making packing boxes for Fifth Army headquarters for use in shipping personal effects of military personnel. The Board found this latter work to be "a part of the national defense effort." Does the hotel industry of St. Louis substantially affect the national defense? The Hotel Gazette, for April 15, 1944, pages 10, 19, provides succinct and telling testimony as to the correct answer to such a question, based on the experience of the hotel industry and the War Production Board during World War II.

"Because of the seriousness of any delay in the accommodation of essential transient hotel guests, WPB's Office of Civilian Requirement Tuesday urged hotel operators to adopt every possible means of assuring hotel lodging accommodations for essential travelers. At the same time the Office of Defense Transportation urged hotels to restrict conventions as a move to conserve transportation, and to permit hotels to employ their facilities for the most essential uses.

"Hotels as well as factories producing war goods are an essential part of the war-production program since they provide lodging and food for persons traveling on essential business directly connected with the war program. * * *

"Of the 1,005,000 hotel rooms in the country, approximately 1,000,000 are used every day for transient guests. Of these, approximately 650,000 are occupied by military personnel traveling on Government business, for whom accommodations have not been made available elsewhere, or by civilians traveling in the public interest either directly in connection with war production or for essential civilian needs. Since the average stay of essential travelers is approximately 2 days, some 325,000 new transient essential guests must be placed in hotel rooms every day. If even 1 hour is lost by each of the 325,000 guests in locating and being assigned to a hotel room, some 325,000 manhours a day—enough to complete 13 flying fortresses—would be lost to the war effort. * * *

"Today the majority of hotels are indirectly aiding in the production of war goods. Sixty-five to eighty percent of their business in every large industrial city is a part of war production, the hotel section [of the WPB Office of Civilian Requirement] explained."

It is true that we are not in the middle of a wartime economy today although we may be on the verge of one. Nevertheless, the President has declared a national emergency and our industrial life and certainly our governmental policies are being geared to facilitating defense production and the national defense effort. Differences in the impact of hotels on the World War II war production program and on today's defense program are differences in degree only and the latter impact will unquestionably be an accelerating one. Particularly after this Board has found it necessary to the national defense to assert jurisdiction over an employer in Kansas City, Mo., who has 10 men making packing boxes for the Army, we are unable to comprehend how a majority of this Board can disregard not only the peacetime effect on interstate commerce, but also the substantial effect on the national defense of the $15 million hotel industry in the great rail, water, and industrial center of St. Louis, located at the opposite end of the State of Missouri.[14]

Although the Board's new policy requires the assertion of jurisdiction over this employer, our colleagues of the majority turn their back on these standards and refuse to assert jurisdiction because of an earlier self-imposed policy of abnegation with respect to the hotel industry. We regard their action in making the hotel industry an exception to the new jurisdiction policy as most unfortunate. One of the principal reasons for the adoption of the new policy was to remove the uncertainty which had existed concerning the cases over which the Board would assert jurisdiction. The standards contained in that policy have not only facilitated our own processing of cases but have made it possible for parties contemplating the use of Board processes and for our own regional offices readily to determine whether or not the Board would entertain a petition or complaint. Today's decision undermines the efficacy of that policy. Is it safe to assume that no other exceptions will be made to the new standards?[15]

Moreover, we can find no compelling considerations of law or policy to justify special treatment of the hotel industry. The majority continues to rely upon Board custom and precedent under the Wagner Act which we found "sterile" in relation to a specific case in our White Sulphur Springs dissent.[16] So far as we are aware the legislative history of the Wagner Act contained nothing to show that Congress intended to exempt the hotel industry as such from the operation of the act. We cannot see that the mere fact that the legislative history of the Taft-Hartley Act fails to show that any Member of Congress quarreled with the old Board's administrative policy not to assert jurisdiction over hotels, or the isolated instance of postlegislative history adverted to by the majority, should be given controlling weight to cause this Board to carve out a permanent exemption from the statute for that industry without regard to how serious the impact of its operations on commerce or on the national defense may be in particular cases. It is a well-established principle of statutory construction that exemptions from legislation such as ours must be strictly construed. At the least they should be expressed—and expressed in the statute by the Congress. We see no justification for this Board to write an exemption of the hotel industry into the act, particularly in a time of national emergency and national defense effort; that in effect is what the decision of the majority does.

Signed at Washington, D. C.

JAMES J. REYNOLDS, Jr.,
Member,

ABE MURDOCK,
Member,
National Labor Relations Board.

UNITED STATES OF AMERICA—BEFORE THE NATIONAL LABOR RELATIONS BOARD—THE VIRGIN ISLES HOTEL, INC., EMPLOYER, AND ST. THOMAS LABOR UNION, L. I. U. NO. 1812, CIO, CONGRESS OF INDUSTRIAL ORGANIZATIONS, PETITIONER—CASE NO. 24-RC-681

DECISION AND ORDER

Upon a petition duly filed under section 9 (c) of the National Labor Relations Act, a hearing was held before Arthur A. Greenstein, hearing officer. The hearing officer's rulings made at the hearing are free from prejudicial error and are hereby affirmed.

Upon the entire record in this case, the Board finds:

THE BUSINESS OF THE EMPLOYER

The employer operates a hotel on St. Thomas Island, Virgin Islands. Its direct inflow of goods from outside the Islands is in excess of $100,000 annually and its indirect inflow of such goods during the same period is in excess of $50,000. The employer neither admits nor denies that it is engaged in commerce.

It has been the Board's long standing policy not to exercise jurisdiction over the hotel industry. This policy was reasserted, after the enactment of the present act, in the White Sulphur Springs Co. case[1] and the Hotel Association of St. Louis case.[2] In the latter case, a majority of the Board,[3] in declining to assert jurisdiction, said:

"We do not believe that a settled policy, endorsed by all those Members of Congress who have recorded an opinion on the subject, should be lightly overturned by the action of this administrative Board."[4]

In deciding to adhere to that policy with respect to this hotel which is located in the Virgin Islands, we are aware that exceptions have heretofore been made with respect to hotels operating within the District of Columbia or any Territory, for the reason that the act gives the Board plenary jurisdiction

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it takes jurisdiction of the entire association even though it would not take jurisdiction over other members considered separately.

[13] *The Borden Company* (91 NLRB No. 109).

[14] We are unable to see how our majority colleagues can so lightly brush aside the factor of the impact of the hotel industry on the national defense as not sufficiently "impressive," simply because the historical material with reference to the hotel industry in World War II quoted above was not introduced in the record and "explored" by the parties. It has been a long-sanctioned practice for the Board both in its decisions and in its briefs in the courts to cite and rely upon economic data in recognized source materials which has not been introduced in evidence. (See *Inland Steel Company* (77 NLRB 1 (see footnote 4, p. 2), enfd. 170 F. 2d 247, cert. den. 336 U. S. 960).) Certainly no more appropriate area can exist for the use of this practice than where the Board does it in order to exercise an informed discretion. Nevertheless, if our colleagues feel that more record evidence or further opportunity for the parties to "explore" this point is desirable, the way to achieve this is to reopen the record, not dismiss the petition.

[15] We cannot agree with our colleagues that the new policy was not intended to accomplish and imply uniformity without exceptions in its application to enterprises which meet the standards for the assertion of jurisdiction. The policy was not limited, as the majority suggests, to "cases where earlier precedent had sometimes appeared uncertain." In certain areas the policy does use an industry approach, e. g., jurisdiction is taken over instrumentalities of commerce and public utilities as such. But the inflow and outflow tests, and the category of multistate enterprises, are written and intended to be applied without regard to the nature of the business involved in a case. Indeed, the use of these objective criteria in areas where an industry approach had previously been utilized was recognized as a virtue of the new policy. It was similarly recognized that the use of these objective criteria would result in the assertion of jurisdiction over some industries which the Board had not taken earlier when it used an industry approach and characterized them as essentially local in character. Two examples of this are retail stores and wholesale bakeries, over both of which the Board now asserts jurisdiction on the inflow and outflow tests.

[16] *The White Sulphur Springs Co.* (85 NLRB 1487).

[1] 85 NLRB 1487.

[2] 92 NLRB 1388.

[3] Members Reynolds and Murdock dissenting.

[4] Hotel Association of St. Louis, supra, at 1390.

over all business enterprises operating in such places.[5] However, we are convinced upon examination of this rule and the exception thereto, that the exception is unwarranted. While it is true that the operations of this employer are not wholly unrelated to commerce, the relationship to commerce is no greater here than in the case of a hotel operating in any of the 48 States, and we do not believe that the impact on commerce is sufficient in either instance to warrant the assertion of jurisdiction. Accordingly, we shall dismiss the instant petition.

ORDER

It is hereby ordered that the petition herein be, and it hereby is, dismissed.

Dated, Washington, D. C., October 26, 1954.

[SEAL] NATIONAL LABOR RELATIONS BOARD,
GUY FARMER,
Chairman.
PHILIP RAY RODGERS,
Member.
ALBERT C. BEESON,
Member.

Ivar H. Peterson, member, concurring: I concur in the majority's decision to dismiss the petition herein.

The employer operates a resort hotel on St. Thomas Island in the Virgin Islands. It caters almost exclusively to the vacationing public, accommodating at the height of its busy season a maximum of 240 guests. It furnishes its guests with the usual hotel services, including laundry services performed by employees whose representation the petitioner seeks.

I have serious doubts that Congress, in enacting the act, intended that the Board, in the exercise of its discretion, extend itself to the Virgin Islands to take jurisdiction over this local enterprise, if indeed Congress intended that the Board exercise any jurisdiction at all in this island possession. In any event, I am unable to conceive how a work stoppage at the resort hotel in question could have an impact on commerce as to warrant the Board's assertion of jurisdiction over that business. Whatever effect a cessation of the employer's business could possibly have on commerce appears to me to be at most remote and inconsequential. In these circumstances I find that it would not effectuate the policies of the act to assert jurisdiction in this proceeding.

Dated, Washington, D. C., October 26, 1954.

IVAR H. PETERSON,
Member, National Labor Relations Board.

Abe Murdock, member, dissenting: I would assert in this case.

I have consistently opposed the application of different jurisdictional standards to the hotel industry than are applied to other enterprises.[6] As indicated in my dissents in those cases, I can perceive no reasons why this Board should afford an exemption from the provisions of this act to the hotel industry, which exemption is not to be found in the express provisions of the act.

But assuming that the legislative statements relied on by the majority indicate congressional approval of the Board's practice of declining to assert jurisdiction over hotels in the United States, the same statements indicate congressional approval of the Board's practice of asserting jurisdiction over hotels in the Territories. The policy of asserting jurisdiction over hotels in the District of Columbia and the Territories on the basis of the Board's plenary powers,[7] has as long a history as has the policy of declining to assert jurisdiction over hotels operating in 1 of the 48 States. Thus, the same considerations which the majority find require a continuation of the latter policy likewise require a continuation of the former policy. The legislative statements disclose no dissatisfaction on the part of Congress with the Board's exercise of plenary jurisdiction over enterprises operating in the Territories.

Thus a proper application of the statement quoted by the majority from the Hotel Association of St. Louis case that "We do not believe that a settled policy, endorsed by all those members of Congress who have recorded an opinion on the subject, should be lightly overturned by the action of this administrative Board.", should require the Board to assert jurisdiction over the employer in this case.

Apart from its specific effect upon hotels in the Territories, and the District of Columbia, the instant decision indicates a marked recision of the Board's plenary jurisdiction in these areas. The Board has previously exercised such plenary jurisdiction, for well-founded reasons, without regard to the size, type, or volume of business of the enterprise involved. The majority opinion, in this case, accordingly, constitutes a major alteration in this agency's jurisdictional policy comparable to those affecting the continental United States (except for the District of Columbia) upon which I have commented generally in my dissenting opinion in *Breeding Transfer Company* (110 NLRB No. 64). As was true of the new standards of jurisdiction discussed in the Breeding case, this change is similarly inconsistent with the act and the responsibilities which it imposes on this agency, involving a determination to withhold protection of the act which properly should be made by Congress.

The broad exercise of jurisdiction over enterprises in the Territories and the District of Columbia is specifically directed in the statute which the Board administers. As the courts have previously pointed out,[8] "* * * Congress can constitutionally regulate purely intraterritorial commerce. And we think there can be no doubt that Congress must have intended to exercise this power when in section 10 (a) of the National Labor Relations Act it gave the Board authority to prevent any person from engaging in any unfair labor practice affecting commerce, and in section 2 (6) of the act defined commerce to include 'trade * * * within * * * any Territory.' "

The Board has previously observed that, by this statutory definition "all trade within any Territory is embraced by the term 'commerce,' whereas with respect to a State, only trade between such State and outside points is embraced by that term."[9] It is thus clear that the statement of the majority decision in this case that "the relationship to commerce is no greater here than in the case of a hotel operating in any of the 48 States" is contrary to the explicit terms of the act which define commerce differently with respect to Territories and the District of Columbia. The concurring opinion also fails to recognize the fact that "commerce" is differently defined with respect to Territories. The operations of this or any other employer in a Territory or the District of Columbia will obviously have a greater effect upon all trade within that area than the operations of a similar establishment in the States would have upon commerce between and among the States.

Indeed, it is readily apparent that the Federal Government is vitally interested in furthering the economic development of the Virgin Islands. To this end, Congress, in 1949 established the Virgin Islands Corporation,[10] in order, inter alia, "to encourage, promote, and develop, and to assist in the encouragement, promotion, and development of tourist trade in the Virgin Islands."[11]

Tourist expenditures in the Virgin Islands amounted to more than $3 million in 1951,[12] and to more than $6 million in 1952.[13] Total imports to the Virgin Islands amounted to $11,162,888 during 1952.[14] Of the more than $6 million of tourist expenditures for 1952, hotel receipts accounted for $2,269,481,[15] restaurant and shops receipts accounted for $3,548,515,[16] and taxi and sightseeing receipts accounted for $622,448.[17]

The foregoing figures show the obvious importance of tourist expenditures to the economic well-being of the Virgin Islands, and the necessary part adequate hotel accommodations play in encouraging and developing the tourist trade. I find it somewhat strange that in the face of the policy of the Federal Government to encourage, promote, and develop the tourist trade in the Virgin Islands, my colleagues feel no obligation on the part of this agency to provide the benefits of this act to insure against industrial disputes which might shut down the hotels which are essential to attract and house overseas tourists, and thereby interfere with the orderly implementation of a clearly expressed governmental policy.

The expressed doubt in the concurring opinion that the Board has any jurisdiction at all in this "island possession" should be quickly resolved by reference to available authorities which plainly demonstrate the authority of this Board over labor disputes in the Virgin Islands. In *People of Puerto Rico* v. *Shell Co.*[18] the Supreme Court, after referring to its language in an earlier case which held that Puerto Rico was an organized territory, although not incorporated into the United States, held that the Sherman Antitrust Act was applicable to Puerto Rico because as "Congress intended by the Sherman Act to exert all the power it possessed in respect to the subject matter—trade and commerce * * * Congress [also] intended to include all territories to which its power might extend * * * [T]he word 'territory' was used in its most comprehensive sense as embracing all organized territories whether incorporated into the United States or not, including Puerto Rico."

In the Gonzalez Padin Co. case, cited supra, the Court of Appeals for the First Circuit after its discussing of the language of section 2 (6) of the act, in holding a Puerto Rico employer within the plenary jurisdiction of the Board, said:

"That is to say we think Congress in the National Labor Relations Act intended to deal comprehensively with labor disputes affecting commerce * * * just as in the Sherman Antitrust Act * * * it intended to deal comprehensively with contracts, combinations, and restraints of trade (*Puerto Rico* v. *Shell Co.* (302 U. S. 253, 259 * * *)) and to that end exercised all the power it possessed in the premises." (*Atlantic Cleaners & Dyers* v. *United States* (286 U. S. 427, 435 * * *).)

"The Virgin Islands is an outlying possession of the United States, and as such had been governed as a territory of the United

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[5] *Roy C. Kelley* (95 NLRB 6).

[6] See my dissents in *Hotel Association of St. Lous, supra,* and *The White Sulphur Springs Company* (85 NLRB 1487).

[7] E. g., *Willard, Inc.* (2 NLRB 1094); *The Raleigh Hotel Company* (7 NLRB 353); *Westchester Apartments, Inc.* (17 NLRB 433); *Rutland Court Owners, Inc.* (44 NLRB 587).

[8] *N. L. R. B.* v. *Gonzalez Padin Co.* (161 F. 2d 353 (C. A. 1)).

[9] *Panaderia Sucesion Alonso* (87 NLRB 877 at 878).

[10] Title 48 U. S. C. S. 1407.

[11] Title 48 U. S. C. S. 14076 (b).

[12] 1952 annual report of the Governor of the Virgin Islands to the Secretary of Interior.

[13] Ibid.

[14] Ibid.

[15] Condensed Report on Tourist Activities in Virgin Islands, dated January 1, 1954, submitted by Virgin Islands Tourist Development Board.

[16] Ibid.

[17] Ibid.

[18] 302 U. S. 253.

States."[19] Its organization and powers are set forth in an organic law passed by the Congress of the United States in 1936,[20] which provided for a legislature, a territorial governor and other officers appointed by the President with the advice and consent of the Senate of the United States. As the Virgin Islands is a completely organized Territory, although not incorporated into the United States, it is clear that it occupies the identical position which Puerto Rico did prior to becoming a commonwealth, during which time both the Board and courts held that the act embraced Puerto Rico.[21] Accordingly, it seems plain that the Virgin Islands are a "Territory" within the meaning of section 2 (6) of the act.[22] No legislative or judicial authority to the contrary or providing a basis to doubt this fact is cited in the majority or concurring opinions.

There is an additional factor which requires consideration. The cutting of the Board's plenary jurisdiction will mean an absence of any regulation or control of industrial disputes in these areas. For even where local administrative agencies have been established in the territories to perform duties comparable to those of the Board, it has been held that section 10 (a) prohibits them from either accepting jurisdiction by cession from the National Labor Relations Board or exercising jurisdiction over matters which are within the scope of the act.[23] Unlike the situation in any of the States, the Congress is in a real sense the "local" legislature for these areas.

In summary, when the act, itself, directs this Board to exercise jurisdiction over all trade within the territories and the District of Columbia; when the Board has proceeded on that basis for a number of years without comment or alteration of the statute by the legislature; and when the exercise of such plenary jurisdiction has been continually supported by the courts, it is singularly inappropriate now to restrict our performance of that statutory duty. Particularly so, when by so restricting our plenary jurisdiction we leave commerce within those areas unprotected by any other agency of Government from the impact of labor disputes affecting it. For the foregoing reasons, therefore, I find that the employer is engaged in commerce as defined in the act and that it would effectuate the policies of the act to assert jurisdiction herein.

Dated, Washington, D. C., October 26, 1954.

ABE MURDOCK,
Member, National Labor Relations Board.

MINIMUM PAY RISE IN PUERTO RICO

Mr. DOUGLAS. Mr. President, since the Senate passed the bill amending the Fair Labor Standards Act, S. 2168, there has been some publicity concerning the provisions relating to Puerto Rico which, in my opinion, does not accurately reflect what the Senate has done.

For the information of Members who may have seen one of these reports which was based upon information apparently supplied by the Puerto Rican sources, I ask unanimous consent to have printed at this point in the RECORD a news article from the New York Times for Monday, June 20, 1955, entitled "San Juan Fights Minimum Pay Rise," together with a copy of my letter of reply addressed to the editor of the Times and printed in their issue of today's paper.

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

SAN JUAN FIGHTS MINIMUM PAY RISE—FEARS 45,000 WILL LOSE JOBS IF WASHINGTON LEGALIZES BILL TO INCREASE WAGES

SAN JUAN, P. R., June 19—Approximately 45,000 persons here will lose their jobs if the United States Senate bill 2168 becomes law, a government spokesman said today.

The bill, which proposes a sharp increase in minimum wages in Puerto Rico, may force about 70 factories to close in addition to throwing many thousands of home workers out of their jobs. This would add seriously to Puerto Rico's already alarming unemployment.

Government officials here are greatly disturbed by the apparent unawareness in Washington of the serious impact that this and similar legislative proposals would have on Puerto Rico's economic future.

Puerto Rico already has more than 100,000 unemployed, almost 20 percent of its entire labor force. In addition, 20,000 young people enter the labor force each year, putting heavy pressure on the island government to create new jobs through operation bootstrap, which has established more than 300 new industries in the last 5 years.

It was feared that the sharp rise in unemployment here would greatly accelerate the migration of unemployed Puerto Ricans to the United States, particularly New York, Philadelphia, Chicago, and Miami. Last year such migration dropped to 21,531 after reaching a high of 69,125 in 1953.

The workers hardest hit by the new Federal legislation would be those in home needlework, where an estimated 29,000 would lose their source of livelihood. Another 3,000 would be forced out of work in sugar mills as would the 4,000 in tobacco stemming plants and an estimated 7,000 in manufacturing plants.

EXPANSION TO BE HIT

Government officials predicted that in addition to causing immediate unemployment the proposed Federal legislation also would adversely affect future economic development in Puerto Rico by curtailing expansion.

The new legislation is a sharp departure from previous practice whereby wages were raised periodically in Puerto Rico on an industry by industry basis as the result of committee hearings. Government spokesmen here maintain that only the continuance of such a flexible system can fit Puerto Rico's needs.

Heriberto Alonso, a top official in the Economic Development Administration, which is responsible for creating new industries, said the fact that the present Senate bill would throw 45,000 people out of work is dramatic proof of the necessity for retaining the committee approach for raising wages in Puerto Rico.

Under the proposed Senate bill, now being considered by the House of Representatives, the minimum wage would become $1 an hour. The administration favors a rise from 75 to 90 cents.

The Senate bill would authorize the Secretary of Labor to extend the increase to Puerto Rican workers.

REPLY BY SENATOR DOUGLAS

JUNE 23, 1955.

THE NEW YORK TIMES,
New York, N. Y.

GENTLEMEN: On June 20 the New York Times published an article on Puerto Rico to the effect that the proposed minimum-wage regulation for the island, contained in S. 2168, may cause greatly increased unemployment and curtail expansion of the Puerto Rican economy.

S. 2168 was drafted by the Senate Subcommittee on Labor, of which I am the chairman, after full hearings with testimony submitted by all interested parties. The bill was passed unanimously by the full Labor Committee. It was carried by voice vote in the Senate.

I note that you credit a Puerto Rican government spokesman as the source of the opinions expressed in your article. But I should like to comment briefly on that report.

While your article starts off with a categorical statement that "approximately 45,000 persons (in Puerto Rico) will lose their jobs," you indicate in the next paragraph that "the bill * * * may force about 70 factories to close." Such estimates are quite worthless unless there is an explanation of the reasons on which they are based. According to your report 29,000 workers in the needle trades, 3,000 workers in the sugar mills, 4,000 workers in tobacco stemming, and 7,000 workers in manufacturing plants are estimated as sure to lose their jobs. Let us look at these figures somewhat more closely.

In the home needle trades, employment has declined from over 60,000 in 1950 to 29,000 in 1955. This is a decline of over 30,000 in 5 years. If present trends continue, homework will disappear in less than 5 years even if the industry should continue to operate at the 17½-cent-an-hour wage rate which prevailed during the period of the decline.

This decline in homework was partly compensated by an increase in factory employment. It is generally recognized that a growing and expanding economy is incompatible with the existence of sweatshop homework conditions. It is therefore false to blame minimum-wage legislation for the unavoidable decline of the home needle industry.

The next largest group mentioned in your article are an estimated 7,000 workers in manufacturing plants. This estimate seems to be based on the total employment of firms which had financial losses in 1954. Nobody has yet pretended that losses during that year were even influenced by prevailing wages, not to speak about their being caused by high wage rates. It is likely that some firms which were not able to operate at a profit under the extremely favorable conditions prevailing in Puerto Rico in 1954 will be forced to go out of business. But it is unrealistic to assume that all these firms will go out of business, and even if they all were to fail, there is no reason to assume that wage rates were responsible for their failure.

Your report also mentions the sugar industry with an estimated decline of 3,000 workers. The Subcommittee on Labor has carefully investigated the situation in Puerto Rican sugar mills. The industry is modern and highly efficient. In 1949, for example, one-half of the total investment in manufacturing in Puerto Rican industries went into new equipment and machinery in the sugar mills. There are some firms which have not kept up with this trend. They have been in difficulties for some time, and not even a lowering of the wages would be able to balance the advantages gained by the large majority of modernized plants.

The last industry mentioned is tobacco stemming, with an estimated decline of 4,000

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[19] *Harris* v. *Municipality of St. Thomas & St. John* (111 F. Supp. 63.) (D. C. Virgin Islands.)

[20] Organic Act of the Virgin Islands of the United States, June 22, 1936, ch. 699, sec. 41, 49 Stat. 1807.

[21] The Board continues to hold Puerto Rico embraced by the act since achieving commonwealth status.

[22] Cf. *Puerto Rico* v. *Shell Co., supra*, p. 258; *Kopel* v. *Bingham* (211 U. S. 468, 474, 476); *N. L. R. B.* v. *Gonzalez Padin Co., supra.*

[23] *Bayamon Transit Co., Sucesora* v. *Puerto Rico Labor Relations Board* (70 P. R. Sup. Ct. No. 3, p. 292). See also Panaderia *Sucesion Alonso, supra.*

workers. The Subcommittee on Labor has recognized that certain difficulties exist in this industry. Tobacco is grown in Puerto Rico on hilly territory, under difficult circumstances, and the whole manufacturing process is little mechanized. Puerto Rican tobacco has great difficulty in competing with Cuban tobacco. But the formula worked out by the Subcommittee on Labor allows this industry to postpone the full increase in the minimum by as much as 1 year after December 31, 1955, provided the industry-committee procedure is used to grant a small increase before January 1, 1956. The minimum wage in the tobacco stemming industry has been 31 cents since June 1952. There have been no increases since that time.

Your report states: "Government officials (in Puerto Rico) are greatly disturbed by the 'apparent unawareness in Washington of the serious impact that this and similar legislative proposals would have on Puerto Rico's economic future'."

I consider it unfortunate that such a statement has been made. The formula worked out to increase minimum wages in Puerto Rico has fully taken into consideration the complex and difficult situation of Puerto Rico. It provides for a special report by the Secretary of Labor to minimize unforeseeable hardships that may arise.

But the United States Senate does not only have a responsibility to facilitate industrialization in Puerto Rico. It also has a responsibility toward mainland industries. And some of these industries have had to compete with Puerto Rican firms under constantly increasing difficulties. In addition to the much-advertised tax exemptions there, the differential in average hourly earnings broadened from 98 cents in January 1950 to $1.31 in October 1954. The Senate proposal does not reduce this differential, it only tries to prevent an increase in this differential. It will, therefore, preserve the presently existing competitive advantage of Puerto Rico.

We have tried to understand and to adjust as fairly as we could these competing interests. We have good reason to believe that mainland and Puerto Rican industry can live with the Senate proposal.

Faithfully yours,

PAUL H. DOUGLAS.

SALUTE TO CZECHOSLOVAKIA PATRIOTS

Mr. DOUGLAS. Mr. President, I wish briefly to salute the memory of the brave men and women in the cities, the factories, and the mines of Czechoslovakia who, 2 years ago this month, arose in protest against new oppressive decrees of their Russian overlords and, against hopeless odds, showed with their lives their love of freedom and justice. The Czechs were the first, and the greater publicity which, of necessity, attended the Berlin riots that same month need not prevent us from remembering their bravery. Many of these Czech patriots are now beyond reach of our voices, whether dead or imprisoned or exiled to Siberia; but I hope that we here in the United States can suitably honor their memory.

Mr. President, I hope that in the coming conversations at the "summit" we do not forget them or the other captive peoples; and that we demonstrate anew our belief in liberty and equality, in free elections by free people, and in government by the people. For we of all nations know that that government is neither just nor endurable which does not foster the freedom and well-being of all its citizens among its highest aims.

Mr. President, the significance of the 1953 workers' revolt in Czechoslovakia is perhaps best characterized in an editorial in the New York Times of June 13, 1953, entitled "Freedom Speaks in Pilsen." I ask unanimous consent that this fine editorial be printed at this point in the CONGRESSIONAL RECORD.

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

[The New York Times of June 13, 1953]

FREEDOM SPEAKS IN PILSEN

The city of Pilsen in Bohemia used to be associated with an excellent beer. It also brought to mind a tuneful light opera. It has not been so cheerful in recent years. There may be, however, in some year to come, a new symbol in that city. There may be a memorial there to workers who died in June 1953, in protest against the Russian-dictated tyranny that calls itself by the foulest of lies a people's republic.

We need expect no successful uprising in Czechoslovakia this month or this year or at any predictable time. What has just happened at Pilsen and apparently in other cities of Czechoslovakia was a spontaneous and hopeless protest against the government's robbery of the people. It is now clear, on the admission of at least one Pilsen newspaper, supported by testimony from other sources, that some of the workers—the supposed heroes of the Marxian dream—have had quite enough of Marx and the late Mr. Stalin and whoever it is that now runs the Moscow government. As the Pilsen newspaper Pravda said on June 5, the rioters "disgraced the Soviet flag." For a few minutes, or an hour or so, or a few days, the Russian colors like the tattered Nazi war banners that were paraded in Moscow after the war, were dragged in the dust.

It is over now, as far as we know. To paraphrase the old Czarist saying, "Order reigns in Pilsen and in Prague." The "gang of rioters" has been liquidated. Liberty and justice have been liquidated, as in all Communist-dominated countries. Wisdom has been liquidated, so that a country which was prosperous and traded profitably in the world's markets before the Russians came in is now plundered and hungry. Communism has failed in Czechoslovakia in all its phases. It has broken all its promises. It has spoiled everything it has touched. It is not only tyrannical—it is stupid and inept.

No country given a free choice has ever adopted communism. It is impossible to believe that any country now under communism would vote to continue the system if its people had a choice and were duly informed as to alternatives. The desperation revealed in the futile outburst in Czechoslovakia must exist elsewhere. The doctrine and system that started as utopia have produced wherever they have been fully applied a planned and scientific hell on earth.

It is not this country's policy to encourage revolts which wipe out previous lives. Nor do we intend to go to war to abolish tyranny all over the world. Nevertheless, it warms the hearts of those who remember the age-long battles for liberty, the never-ending struggle to be free, to know that tyranny is recognized as such even where no hand can as yet be raised successfully against it.

EXPIRATION OF FREE MAILING PRIVILEGES FOR MEMBERS OF THE ARMED SERVICES IN KOREA

Mr. CARLSON. Mr. President, at midnight tonight Public Law No. 9, 83d Congress, the free mailing privileges for the members of the armed services in Korea and other specified areas expires. Unfortunately, no provision has been made to extend the act. Under these circumstances I sent a telegram to the Secretary of Defense urging that the Department continue to carry the mail as in the past.

I am informed that annually about 40 million pieces of mail, or about 4 million pieces a month are handled for those members of the Armed Forces. I am also informed that the Department of Defense has stocked the post offices in that area with stamps. But very little publicity has been given to the fact that the act providing for such free mailing privileges will expire at midnight tonight. Therefore it is only natural that large numbers of our Armed Forces will be mailing their letters as in the past. Their families will not receive them and great confusion will result.

It is for this reason that I have risen in the Senate today to ask the Department of Defense to continue to carry such mail free until Congress has had an opportunity to consider an extension of the legislation which is about to expire. I think it is most important that that be done. I am today introducing a bill providing for a 1-year extension.

I ask unanimous consent that a copy of my telegram to the Secretary of Defense be printed in the RECORD.

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

WASHINGTON, D. C., *June 30, 1955.*

Hon. CHARLES WILSON,
Secretary of Defense,
Washington, D. C.:

Tonight at midnight Public Law 9 of the 83d Congress expires. This act provided for free postage to the Armed Forces personnel in specified areas, including Korea, and also for Korean veterans hospitalized outside of the continental limits of the United States when such hospitalization is the result of service in Korea. The Department I understand has stocked these military zones with stamps, but very little publicity has been given regarding the termination of this act and the privileges of free mailing. Under these circumstances, there is bound to be much confusion and I think a great inconvenience to a large number of the members of our Armed Forces. Therefore, I would urge that the Defense Department continue to carry this mail at least temporarily in the future as in the past. I am introducing legislation today.

FRANK CARLSON,
United States Senator.

PROPOSED COUGAR DAM ON THE McKENZIE RIVER, OREG.

Mr. NEUBERGER. At his press conference yesterday, the President listed Cougar Dam on the McKenzie River in Oregon as one of the projects on which Congress should act during the present session. Speaking of water resource development, Mr. Eisenhower said that Cougar Dam, and other projects, were "all trying to get started and all waiting because they are not done."

I am not sure whether the President realizes that Cougar Dam has been authorized by Congress as a Federal project for flood control since 1950, and for power since 1954. The budget which he sent to Congress this year asked for only $100,000 in planning funds for Cougar Dam, although the great need for this

project for flood control and power production for the Willamette Basin would call for the full $500,000 usable in fiscal 1956. Instead, Cougar Dam has been used as the chief testing ground in the administration's fight to force the Northwest to accept high-cost "partnership" power or no power at all.

The President expresses concern that Congress has done nothing toward advancing Cougar Dam. In the hearings of the Senate Appropriations Committee, the senior Senator from Oregon [Mr. MORSE] and I urgently requested inclusion of the full $500,000 usable to complete planning and begin construction of Cougar Dam next year. In the light of President Eisenhower's request to Congress yesterday to speed up this project, I call again upon the Appropriations Committee to include the full usable amount of $500,000 for Cougar Dam in the appropriations for fiscal 1956.

Mr. MORSE. Mr. President, will my colleague yield?

Mr. NEUBERGER. I yield.

Mr. MORSE. I congratulate my colleague for calling to the attention of the people of Oregon, through the statement he has just made, the fact that Cougar Dam has been authorized as a Federal project. I think it is important, also, that it be called to the attention of the President of the United States.

It is important, furthermore, to note that the President asked for only $100,000 this year for planning money, although the report of the Corps of Army Engineers shows that $500,000 is needed.

I think it should be emphasized that what the President really is trying to do is to force the people of Oregon to go along with his program to deauthorize Cougar Dam as a Federal project and to make it a partnership project, so that it can be used as bellwether for the giving away, in a partnership scheme, of the people's resources in the rivers of the Pacific Northwest. I stress that point.

Somebody ought to call the President's attention to the fact that it would not make one whit of difference how these dams are going to be administered, so far as their power resources are concerned. The same amount of money will have to be spent for the planning of the dams by the Army engineers, no matter whether they will be operated on a so-called partnership basis or as Federal power projects.

I think it is regrettable that the President of the United States—and he must take the responsibility—is a party to the slow-up program, so far as the planning of the dams is concerned. What the President ought to do is back up the Senators from Oregon in trying to get for the Army engineers the $500,000 which is needed to complete the planning of the dams. Then we can determine whether, over a longer period of time, we are to go along with President Eisenhower's giveaway program with regard to these dams, or have them operated as Federal power projects.

Mr. NEUBERGER. Is it not extremely significant that although at his press conference the President listed Cougar Dam as one of the projects he believed this Congress should provide for but has not done so, yet Cougar Dam has been listed as a Federal flood-control project for 5 years, and this Republican administration wants to deauthorize that program?

Mr. MORSE. It needs to be made clear that is the Republican program, and the Republican Members of Congress are seeking to accomplish that purpose, whereas the Democratic Members are seeking to proceed with the project, which has been authorized as a Federal project.

Mr. NEUBERGER. Authorized for 5 years.

Mr. MORSE. Yes.

CONTROVERSY BETWEEN THE PRESIDENT AND SENATOR JOHNSON, OF TEXAS

Mr. BYRD. Mr. President, in the New York Times of today appears an article by Arthur Krock entitled, "It Seems More Like the Good Old Days." The article refers to the interchange between the President and the majority leader of the Senate. I wish to read the last paragraph of the article:

> These partisan forays, and even the President's list of unfinished items, do not, however, add up to a cold war. Those, including the correspondent, to whom the prophecy seemed reasonable with reference to domestic programs failed to anticipate the leadership thesis JOHNSON developed or its general Senate Democratic acceptance. It is, that making campaign issues is the business of the titular party leaders and the national committees; the sole business of the party members in Congress is legislation, preferably on its merits.

Mr. President, I ask unanimous consent that the entire article be printed in the body of the RECORD.

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

IN THE NATION

(By Arthur Krock)

IT SEEMS MORE LIKE THE GOOD OLD DAYS

WASHINGTON, June 29.—Those Republicans and Democrats who have been criticizing the President and the Senate Democratic leader for being too nonpartisan felt better today after the smooth relations between General Eisenhower and Senator JOHNSON were ruffled by a small public spat. It didn't amount to much: a little needling of the President by the Senator, and the same right back. But it was a return, however temporary, to interparty normalcy.

The Senator scored first. After listing 275 bills which the Senate passed in 81 days, he commented, with his air of innocence, that this record was a refutation of the prediction by a "certain party leader" in the last campaign. The prediction was that the election of a Democratic Congress would mean "a cold war of partisan politics" in which programs urged by the President and desired by the people would be "bottled up." The forecaster was the President himself.

General Eisenhower got his chance to bat at his news conference today. Like the celebrated Willie Keeler, he "hit 'em where they ain't." In that vulnerable Democratic area was his campaign prophecy that, with the Executive and Congress under different party control, it would be impossible for the public to fix the responsibility for legislative failure or success. The Senate leader's claim of party credit for such accomplishments as there have been, accompanied by his failure to mention 13 major items of business still unfinished at the fag end of the session, demonstrated, the President said, how true that prediction turned out to be.

Battles but not war

Both the President's and JOHNSON's points were well taken. Certainly no "cold war of partisan politics" has been waged by the Democratic leaders in Congress or by the Democratic majorities. There have been sharp skirmishes, and an occasional battle with the administration. But the fraternizing between partisan engagements has been cordial and protracted, and in matters of foreign policy the opposition has been more "loyal" in percentage than the home guard. On the other hand, the Democrats have balked the President in large or small degree on most of the major items of his program that he listed today, sometimes by delaying actions.

Yet the cooperation, in the Senate, is so extensive and friendly that at times grumbling against JOHNSON's leadership has been audible among "liberal" Democrats and in the neighborhood of the Democratic National Committee. And, because of certain Presidential concessions to the majority, some Republicans have asked, though in discreet privacy, "who won the 1952 election, anyhow?"

The parting shot

But, for this day at least, the President and the Senate leader of the opposition acted and reacted as partisan competitors instead of as loving partners, and the party workers on both sides will appreciate it. JOHNSON, in getting the last word, even needled the President with an implication which is a favorite of the Democratic Digest (the National Committee publicity organ). This implication is that the President, being absent from Washington a great deal, is not well posted and depends on briefing by his aides. "After all," said JOHNSON, for once following this line today, "he (Eisenhower) spent last week in New England and may not fully understand all he is talking about."

Not until this session of Congress has ended will it be possible to calculate these factors in its record: The volume of solid and essential legislation it has approved as contrasted with the volume proposed by the President. The number of major administration positions that survived or were rejected in the legislation that was approved. The amount of unfinished business that by any normal test could be called essential.

Why no cold war

But the spat between the President and the Senate leader today would have to develop into a sustained legislative blockade by the Democrats before General Eisenhower's cold-war forecast could acquire any factual basis. The Democrats have sought desperately for a flaming public issue with the administration, examples being Speaker RAYBURN's "$20 bill for everybody" and the assault of some Senate Democrats on the Dixon-Yates contract for a private plant to feed power into the Tennessee Valley Authority system. But thus far the effort does not seem to have been rewarded in public interest or support.

These partisan forays, and even the President's list of unfinished items, do not, however, add up to a cold war. Those, including the correspondent, to whom the prophecy seemed reasonable with reference to domestic programs failed to anticipate the leadership thesis JOHNSON developed or its general Senate Democratic acceptance. It is, that making campaign issues is the business of the titular party leaders and the national committees; the sole business of the party members in Congress is legislation, preferably on its merits.

AUTHORIZATION FOR ARMED SERVICES COMMITTEE TO FILE REPORTS DURING RECESS OR ADJOURNMENT

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Armed Services Committee was authorized to file reports on the Public Works appropriation bill, during the recess or adjournment of the Senate.

EXTENSION OF PUBLIC DEBT LIMIT

The Senate resumed the consideration of the bill (H. R. 6992) to extend for 1 year the existing temporary increase in the public debt.

Mr. BYRD. Mr. President, the pending bill, H. R. 6992, would authorize the Secretary of the Treasury temporarily to borrow up to $6 billion in excess of the permanent statutory $275 billion debt limit. It merely extends the existing law.

It would not provide an increase in the permanent debt ceiling. This temporary authority would expire June 30, 1956.

The bill is recommended to the Senate by the Senate Finance Committee, which reported the bill by a 12 to 1 vote. There are no Senate committee amendments. As chairman of the Committee on Finance, I recognize with reluctance the necessity for its immediate enactment. I am sure the majority of the Finance Committee joins me in this recognition.

There are three hard, cold reasons why extension of this temporary increase is necessary:

First. Tax reductions which were enacted before the budget was balanced in a period of high income. Tax reductions when the Government is on a deficit financing basis represent a direct increase in the public debt.

Second. Failure to reduce expenditures to the level of revenue. This is due in large measure to the failure to bring unexpended balances in old appropriations into control by Congress.

Third. Peaks and valleys in revenue collections under the system providing for heaviest payments of corporation taxes in the second half of the fiscal year.

It will be recalled that 2 years ago the administration requested a permanent increase in the statutory debt limit of $15 billion, lifting the ceiling from $275 billion to $290 billion.

At that time Congress was told that the Government in fiscal year 1954 could not pay its bills and panic would result if that $15 billion increase was not granted. The permanent increase of $15 billion was approved by the House of Representatives, but the Senate Finance Committee, after careful study, rejected it completely. The administration reduced its expenditures, lived within the $275 billion debt ceiling, and no evil consequences occurred.

Last year the administration requested a permanent increase of $10 billion in the statutory debt limit, and the Senate Finance Committee again, after careful study, rejected the administration's request. Instead, on the basis of its study, the committee recommended a temporary increase of $6 billion for 1 year, which was enacted into law. That 1-year period will expire at midnight tonight, and the Government has managed to meet its obligations under a debt ceiling $4 billion less than it requested a year ago.

On the basis of continual study of the debt situation since early in 1953, the Finance Committee now recommends a temporary increase of $6 billion in the debt limit to expire June 30, 1956, when the ceiling will revert to the $275 billion permanent limit.

As chairman of the committee, I reluctantly joined in this recommendation, for the simple reason that I believe that it provides for a minimum necessary to maintain the integrity of the Federal Government of the United States. But I suggest that this additional temporary extension should be regarded by the administration as an indication of congressional notice that it should not be repeated again.

In this connection I wish to point out:

First. As in the past, any future tax reduction while the Government is on a deficit financing basis, and the national income is at or near its peak, is inexcusable fiscal irresponsibility.

Second. It is essential that the administration and the Congress bring annual expenditures out of the $82 billion of unexpended balances in old appropriations under control in such a manner that they can be reduced, to the end that the expenditures may be kept at a level with income.

Third. I am hopeful that the 1954 tax code revisions providing for gradual return to a more equal distribution of corporate tax collections will be administered in a manner to bring maximum results.

Actually, the condition of the Federal Treasury, in terms of cash balance and borrowing authority, will be $4.2 billion worse off in July 1955, than it was in July 1954. This is almost equal to the estimated deficit for fiscal year 1955.

To this extent, in terms of fiscal leeway, the $6 billion debt limit extension for the coming year will be tighter than it was in the past year. It is intended to be that way. Under usual appropriation procedure, it is difficult for Congress to exercise control over expenditures out of $82 billion in prior appropriation balances. In this situation and under other conditions the debt limit becomes the only effective congressional control over the rate of annual expenditure; and I trust the spending agencies of the Government will comply with the law by reducing their expenditures so that as a whole they will not exceed the limit.

As was the case last year, one of the principal problems involved in determining the debt ceiling figure is peaks and valleys. There are peaks and valleys in expenditures, and there are peaks and valleys in revenue. Obviously it is impracticable to assume that peak revenue months can be identical with peak expenditure months. But a more even distribution of both is both possible and urgent.

Tax reduction is desirable, but not if it is to be charged to our public debt. Expenditures could and should be reduced to bring about a budget surplus which could be converted into tax reduction.

The Treasury estimates of expenditures totaling $62.4 billion, receipts totaling $60 billion, and deficits totaling $2.4 billion in fiscal year 1956, beginning tomorrow, Friday, show monthly deficits in each month from July to January, inclusive, and still more deficits in April and May. They show big surpluses in March and June, and a lesser surplus in February.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a table prepared by the United States Treasury Department showing receipts, expenditures, and deficits or surpluses by months as estimated for fiscal year 1956.

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

Budget receipts and expenditures, fiscal year 1956

[In billions of dollars]

	Budget receipts, 1956	Budget expenditures, 1956	Budget deficit (−) or surplus (+), 1956
July	2.7	5.2	−2.5
August	4.3	5.9	−1.6
September	4.7	5.1	−.4
October	2.6	4.8	−2.2
November	4.5	5.0	−.5
December	3.8	5.3	−1.5
January	4.6	4.7	−.1
February	5.9	4.6	+1.3
March	8.9	5.3	+3.6
April	4.2	5.3	−1.1
May	4.1	4.9	−.8
June	9.7	6.3	+3.4
Total	60.0	62.4	−2.4

Source: Office of the Secretary of the Treasury, June 8, 1955.

Mr. BYRD. Mr. President, I ask unanimous consent that the remainder of my statement on the pending bill be printed at this point in the RECORD.

There being no objection, the remainder of Mr. BYRD's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD

Without the temporary extension proposed in the pending bill the committee estimates, on the basis of Treasury figures, the Treasury would be without both cash and borrowing authority during the months of October, November, December, January, and February. Under such conditions there is no alternative to increasing the borrow authority. And on the basis of its analysis the committee believes as much as $6 billion temporary increase in the debt limit is the requirement at the minimum to meet the situation at its worst.

It should be emphasized beyond any misinterpretation that this bill increases the debt limit $6 billion on a temporary basis expiring next June 30 when the $275 billion statutory limit again will prevail. Between now and that time the Senate Finance Committee will continue to watch the debt situation.

In fact, a direct Federal debt of $275 billion is more than we should owe. In consideration of the direct Federal debt ceiling it should not be overlooked that there are additional contingent liabilities on the Federal Government in the form of insured loans, guaranteed loans, etc., total another $250 billion.

This tremendous debt—direct and contingent—is of real significance to our national solvency.

Prior to World War I Federal debt was a minor problem. On July 1, 1914, the interest-bearing debt was less than $1 billion. At that time Federal debt could be created only by act of Congress which specified the purpose. I wish to emphasize that; on July 1, 1914, and before that date, during the entire history of this Government, there could be no debt authorized by the Government except by act of Congress which specified the purpose for which the debt was created.

This procedure was revised to meet the needs of World War I. It was in that period that the Secretary of the Treasury was given authority to borrow, subject to an overall limit fixed by Congress.

This statutory limit was first fixed at $11.5 billion, and then raised to $20 billion, to $28 billion, to $37 billion, and then to $37.5 billion in 1921.

The limit was kept at $37.5 billion for 10 years. In 1931 it was raised to $45.5 billion, and then to $48 billion in 1934. In 1935 it was reduced to $45 billion.

In 1940 it was raised again to $49 billion, then to $65 billion in 1941. With the beginning of World War II, it was raised to $125 billion in 1942, to $210 billion in 1943, to $260 billion in 1944, and it is now $275 billion.

The present Federal debt is equivalent to the assessed value of all the land, all the buildings, all the mines, all the machinery, all the livestock—everything of tangible value—in the United States. We are mortgaged to the hilt.

It should be the considered judgment of every one of us that the Federal debt should not be increased except for extreme national emergency, and the size of the Federal debt is the greatest national emergency confronting us at the moment.

We, of our generation, should pause to realize that we are the trustees of our freedom. It is our obligation to preserve sound government for future generations.

This Nation has been through many wars, and after each of them, except World War II, we have discharged at least part of the debt incurred for our defense. After World War II, we continued to add to our national debt, and 10 years after its conclusion we still are borrowing.

For all practical purposes, there has been no reduction in the Federal debt since the end of World War II. The only reduction was made with unused proceeds from a huge bond issue just before the end of the war. When the war contracts were canceled, the unused money was used to reduce the debt. Otherwise in the coming fiscal year the debt will have been increased steadily by deficits in 23 of the last 26 years.

Young men and women, born in 1930, have lived under a Government operating in the red virtually all of their lives. Today the interest on the Federal debt takes more than 10 percent of our total Federal revenue. Without the tremendous cost of this debt, our annual tax bill could be cut 10 percent, across the board.

As it is, we are borrowing money at this very time to pay interest on money we have borrowed before. That means the interest is compounded.

In a Government grown callous to deficit financing, to increase the permanent debt limit would be regarded by every bureaucrat as license to increase his demands for higher expenditures. The lid would be off.

It is my firm conviction that if we had increased the debt limit to $290 billion 2 years ago, we now would be approaching that limit and preparing ourselves for another request to raise it again to $300 billion.

Actually, we should be reducing the debt at this time, not increasing it. If we cannot balance the Federal budget and reduce the debt in peace and better-than-normal prosperity, when can it be done?

In addition to the huge direct debt and the $250 billion in contingent liabilities, we have on our hands a social-security system which is no longer actuarially sound. The ultimate cost to the Federal Treasury of this system is still unestimated. But the fact remains that when the premiums imposed upon those covered into the system are no longer sufficient to pay the benefits, regular tax revenue collected by the Treasury from those in and out of the system will be used to finance the deficiency.

In resisting raising the debt limit beyond the absolute necessity, it is not my purpose to embarrass the administration. To the contrary, the effort to hold the lid on the debt is to strengthen the administration's hand for economy leading to the balanced budget which the President of the United States sacredly pledged in his 1952 campaign.

We should never be misled by academic stargazers who contend that public debt is unimportant when we owe it to ourselves.

Public debt is not like private debt. If private debt is not paid off, it can be ended by liquidation. But if public debt is not paid off with taxes, liquidation takes the form of disastrous inflation or national repudiation. Either would destroy our form of government.

Few will deny that we have reached our solvent limit. As to inflation from deficit financing, I have two tables developed from official sources, and they have been checked and rechecked. One shows the deficit spending by years since 1940. The other shows the fall in the purchasing power of the dollar over the same period.

Beginning with 100-cent dollars in 1939, the purchasing power dropped 5 cents in 1940 and 1941 when the combined deficits were more than $8 billion. Despite wartime controls, it dropped 17 cents under the pressure of war deficits. And under postwar deficits it has dropped another 26 cents. As we all know, the purchasing power of the dollar is now estimated at 52 cents as compared with the purchasing power of the dollar at 100 cents in 1939.

I do not contend that deficit spending is the sole cause of inflation. Of course there are other causes of inflation. But I respectfully submit that deficit spending is perhaps the greatest single factor in the cheapening of the value of the money of any country.

We may regard these facts and figures lightly, if we choose, but the loss of half the purchasing power of its money in 13 years should be a serious warning to any nation. As I have said, other factors may be involved, but there is no doubt that deficit financing cheapens money. Cheapening money is inflation. Inflation is a dangerous game. It robs creditors. It steals from pensions, wages and fixed incomes. Once started, it is exceedingly difficult to control.

We still have practically the highest taxes we have ever known, yet a balanced budget is not in sight. Unless Federal spending is still further reduced, deficit spending and inflation will continue to the bitter end, which is insolvency. The only real answer is to reduce spending. Our currency would be worthless in insolvency.

Those who willfully or otherwise would destroy American solvency would destroy freedom for people everywhere.

Today we are at peace. That is to say, while we must maintain a massive military organization, we are not at war. This period of international crisis may continue for many years. We must live with it and adapt our financial affairs to it. Great perils are lurking in this troublesome world. To be prepared for eventualities, we should strengthen our domestic economy and not weaken it.

The temporary increase which is proposed to be granted under this bill should not be renewed. The administration should reduce its expenditures so that it will not be necessary to again renew the temporary increase.

The administration can prepare the next budget so that renewal of this provision will not be necessary. This is what should and must be done.

Let me say in conclusion, it is with great reluctance that I, as one who has fought to the utmost of my capacity against increasing the debt limit, must vote now to increase temporarily the debt limit, for the reasons which I have mentioned. I do so because I realize that for a period of months the Treasury of the United States would be in an embarrassing position if we do not do so.

I know we must pay our bills. I know that when we create a debt, when we buy implements of war, or whatever our obligations may be, we must meet our obligations and meet them on time. It has never been my desire or purpose, to create a situation which would be financially embarassing to those who must pay the bills based on appropriations which are made by Congress.

I submit that the time has come when we must cease increasing the debt. I further submit that the Congress has lost control over the budget because there are unexpended balances today aggregating $82 billion.

There is nothing more important today than balancing the Federal budget, avoiding additional debt and provision for ultimate reduction of the debt. This Nation grew great under fiscally sound policies, but we have now been exploiting our good credit for a quarter of a century.

Fiscal soundness today is more imperative than ever in view of the worldwide obligations which have been assumed by the Federal Government of the United States.

THE BULGING DEBT LIMIT: LIPSERVICE VERSUS SPENDING

Mr. MALONE. Mr. President, it is very seldom that I find it necessary to disagree with the senior Senator from Virginia [Mr. BYRD]. I am very fond of him, and I think he is very sound in his thinking. However, today I find it necessary to disagree with him in regard to the proposed increase in the debt limit.

The Senator from Virginia is entirely correct when he says the proposal to increase the debt limit was presented to the Senate Finance Committee as a temporary measure.

Last year a similar proposal was presented to the Finance Committee as a temporary measure.

DESTROYED BY TEMPORARY MEASURE

Mr. President, over the years we have been deluged with temporary measures. Beginning about 23 years ago, we began with a temporary, emergency measure, which in 1934 was called a Trade Agreements Emergency Act, and was said to be for the recovery of the United States of America.

However, that act was extended again and again in subsequent years. About the third or fourth time it was extended the emergency part was deleted. The act, to all intents and purposes, became permanent, with the emergency unemployment remaining until World War II started in 1941. This year it was extended for another 3 years, and the debate on the floor of the Senate indicated that it was expected to be permanent,

just as the world Federalists planned it from the beginning—that is the organization planning to modify the Constitution of the United States.

WORLD WPA

In 1947, Mr. President, there began a planned division of the wealth of the citizens of this Nation with the nations of the world; the matter had been handled in different ways until that time, beginning with a loan of $3,750,000,000 to Great Britain in 1945 or 1946; it was said that we were going to cure all the ills of the world with that loan, including the conversion of currencies, that there would be no fixed prices or manipulation of the price of currencies for trade advantage, and there would be no more phony moves after that loan was made.

THE KICKOFF

In 1947 a distinguished general made a speech at a college in New York State or in New England; and his speech contained a small, innocuous paragraph to the effect that we should appropriate taxpayers' money then for the recovery of Europe. So, in 1948, Congress appropriated $17 billion, to be expended in 5 years; and we were told that by that time the world would be cured of all of its evils and ills, and everything would be wonderful.

So the money was appropriated. A few of us fought it, but to no avail.

WORLD ILLS WORSE

When the end of that period approached another bill to cure all the ills of the world was introduced. For some reason or other, by that time the ills of the world had gotten worse instead of better.

That bill was called the ECA bill, and it was going to cure absolutely all the ills of the world. Afterward, when that program began to run down, or when people began to catch up with it, we had another one, called FOA. We still have it in our hair; and this year we appropriated $3,500,000,000 more for that monstrosity, in addition to the $9 billion already available. Mr. President, the Senate is punch drunk, as far as appropriation of taxpayers' money is concerned.

Congress gave the FOA more billions of dollars, to be spent all over the world. But that time the argument was made on the floor of the Senate, and it came very directly, that the program was to be a permanent one; and the distinguished head of the FOA, Mr. Harold Stassen, has let it be known in no uncertain terms that as long as the world continued to suffer the program will have to be a permanent one.

Mr. President, recorded history goes back for 2,000 years in the case of some countries, and for 5,000 years in the case of others. Many of the countries to which we are spending money have not changed their standard of living throughout that length of time.

Of course, Mr. President, anyone who studies the history of those countries knows that overpopulation is their great trouble. For instance, Europe has half the area of the United States, but has twice as many people. The difficulty is that when we get into trouble "Uncle" has no "uncle."

Now it is proposed that we increase the debt limit.

Mr. President, beginning in 1933, the United States had a very distinguished President, who broke the ice, as regards expenditures for recovery, by suggesting that Congress appropriate $3,300,000,000. That was supposed to do the job, but instead of curing it, it aggravated it. Because money seemed to be worth less each year, as more money was appropriated. That President had a vision of "one world," and it seemed as if he might be the president of that "one world." If United States money and his health had held out, he might have made it.

However, Mr. President, those expenditures seem infinitesimal now, as compared to the expenditures now being made by the present Republican administration, on the basis of the appropriations made by a Democratic Congress—or vise versa. At least, they agree. [Laughter.]

Mr. President, the point I am making is that that distinguished President finally lifted the lid, in regard to appropriations, and succeeded in having those great expenditures placed on the shoulders of future taxpayers, while the country proceeded to spend it.

Today that President probably would be turning over in his grave, because today we are spending several times as much annually as he did in his heyday.

So today we have the usual palaver to the effect that it is a temporary thing, but we are going to spend $6 billion more than we are able to obtain in revenue, through the sale of additional bonds.

Mr. President, I ask the Senate this question: If we cannot pay our bills in peacetime, when everyone is prosperous, what may happen to us if we get into another war or if our economic situation worsens—as many persons believe it might if we keep on robbing the taxpayers.

Mr. President, House bill 6992 is before us. The report on that bill (No. 688) contains the following statement:

> On the basis of continual study over a period of more than 2 years and testimony by the Secretary of the Treasury given June 29, 1955, the committee is convinced that for the protection of the Government's integrity during the coming fiscal year it is necessary to raise the statutory limit temporarily to allow additional borrowing of up to $6 billion.

Mr. President, there are two ways, of course, by which we can destroy the monetary system. One is to tax the people until they can no longer pay their taxes. The other is continually to sell bonds in a program of continuous inflation until the time comes when, by reason of continuous inflation, our money could easily resemble the German money subsequent to the World War. It finally reached where one could not pile enough of it on a wheelbarrow to buy an order of ham and eggs. Then the slate is wiped clean and we start all over.

I see a trend in this country. It is not among people who came of age during the wildest New Deal days. But there are young people coming up in this country between voting age and 35 years, many of whom are married and raising families, trying to work out a ranching business, a mining business, or a manufacturing business, obey the law, pay their taxes, and keep their children in school.

TIRED OF CONGRESS ACTIONS

They are very tired of this continued program of increased debt and taxes. They do not realize what can happen to a Senator or Member of the House who, perhaps, has theretofore operated a pretty good business in his home town and paid his bills according to law. But when he comes to Congress he loses his perspective—he simply cannot add. He does not know what it means for Congress to expend more money than it can collect and to tax the people more than they can pay. Many of my people must borrow money to pay their income taxes.

REPEAL THE 16TH AMENDMENT

If we could repeal the 16th amendment, I think Congress might get its feet on the ground, because it could not raise the money. I hope something may happen to bring Congress to its senses. In my present frame of mind I would vote for the repeal of the 16th amendment.

We have now reached the point, as a result of some of our vague reasoning over the past two decades, where we have finally convinced ourselves that the way to make this country prosperous is to spend every cent we can possibly squeeze out of the taxpayer, and when we can squeeze no more from him, sell bonds and pass the debt on to the next generation.

The people are tired of it. They are not going to take it much longer. Some day they will be justified in moving on the Capitol, without waiting for an election.

So here we go again. The language of this bill seems familiar to me. I have been a member of the Senate Finance Committee for about 3 years. It required 6 years for me to become a member. I read from the committee report:

> The committee reluctantly recommends this temporary increase in view of official Treasury estimates indicating deficits in 9 of the 12 months in fiscal year 1956, beginning July 1, 1955, and that the Treasury under the $275 billion limit would be without funds during the 5 months October to February, inclusive.
>
> There are three principal reasons for this situation:

They are very enlightening.

> 1. Failure to reduce expenditures to the level of revenue.

Is not that some revelation, after 22 years of it, when we are now in peacetime?

> 2. Tax reductions enacted before the budget was balanced; and
>
> 3. Peaks and valleys in revenue collections under the system providing for heaviest payment of corporation taxes in the second half of the fiscal year.

I listened carefully to the testimony of the Secretary of the Treasury. He gave no indication that he would not come before us next year with the same story he brought us this year. Of course

he will, if Congress continues its present course.

I asked particularly that my vote in the committee be recorded against this bill.

I ask the Secretary what would happen if this bill were not passed. He said he would be unable to pay certain bills. I asked him, "What are those bills?" He replied, "First, the salaries of Members of Congress."

I said, "Mr. Secretary, I hope you do not get the bill, and you can start with the salaries of Members of Congress, so far as I am concerned. You are welcome to do it. I think you ought to do it as long as they follow their present course."

When the proposal was before us to increase the salaries of Members of Congress, I was for it, because most of us made more money than that before we came to Congress. At least a Senator or a Member of the House should not be embarrassed at the end of the month.

We are making billions of dollars' worth of equipment to send overseas. We call it national-defense equipment. My personal belief is that 90 percent of it is obsolete when it is completed. It will never come out of the warehouses in Europe unless someone takes it out to pull a plow in a few years.

We think we must continue this program in order to keep the boys employed. I suppose that is very important. We are giving $3½ billion to foreign nations, and permitting some bureau official to determine where it shall go, to build our competition in foreign countries.

I was in Asia in 1948. At that time the people were cutting rice knee-deep in water with a little hook or curved knife about a foot long. The State Department wanted to give them tractors. I said, "Give them a scythe and teach them how to use it. Perhaps they will cut more that way. They can gradually work up to a tractor."

When we put them on a tractor, they run it as long as there is gasoline in it. Some of them have even learned to refuel it. But when anything breaks, they simply set it to one side and resume the hook.

If we would get our feet on the ground and stop trying to control all the world and support all the people in the world in the standard of living to which they would like to become accustomed, we could reduce taxes; we could lower the budget; we could have a better defense, with up to date material.

We could then build roads, irrigation projects, flood control projects, and river and harbor improvements in this country and still reduce taxes. We could help our own people by building things with which they could utilize to make a living instead of coming before Congress every year with the same old story, as we have done for the past 22 years.

It does not seem to make any difference whether the Republicans or the Democrats are in control. There are just different people saying the same things.

Mr. President, my people are tired of it, and I am tired of it.

Mr. President, I shall vote against any plan to raise the debt limit in peacetime.

The PRESIDING OFFICER. The bill is before the Senate, and is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 6992) was ordered to a third reading, read the third time, and passed.

STATEMENT BY THE MAJORITY LEADER

Mr. JOHNSON of Texas. Mr. President, I have a brief announcement to make. The Armed Services Committee this morning unanimously approved a military construction bill authorizing the expenditure of $2,357,000,000 for hundreds of items for defense construction around the world. I am informed that the report of the committee will be printed and filed today, and that the Senate will be prepared to take up the bill when it meets tomorrow.

I should like all Senators to be on notice that that effect.

So far as the leadership is aware, there are no seriously controversial matters in the bill. It is not expected that consideration of the bill will be prolonged.

Mr. President, the Senate today has agreed to the conference report on the District of Columbia judges bill, the conference report on the District of Columbia appropriation bill, the conference report on the Defense Department appropriation bill, and 47 or 48 bills on the calendar.

There are only 14 bills remaining on the calendar. Two of them are private bills, to which objection was made today. With respect to 4 or 5 of the other bills remaining on the calendar, the minority has asked the leadership to hold up their consideration until arrangements can be made for the presence on the floor of certain Senators, and the majority has made somewhat the same request.

Today the Senate has passed three House bills, which were reported by the distinguished Senator from Virginia [Mr. BYRD] yesterday, or were reported by me for him. From a personal check I made I find that there is probably only one House bill which is pending in the Committee on Finance. No bills are pending in the Committee on Foreign Relations. There are only three bills pending in the Committee on Agriculture and Forestry, three in the Committee on Armed Services, two in the Committee on Banking and Currency, two in the Committee on Interstate and Foreign Commerce, four in the Committee on Post Office and Civil Service, one in the Committee on Public Works, and two in the Committee on Rules and Administration.

There is no other business to come before the Senate. Because of the cooperation of every Member of the Senate, particularly the distinguished chairmen and the ranking minority members of the committees, the Senate has passed all proposed legislation with the exception of the 15 or 16 bills to which I have referred, and which have not yet been brought to the floor.

Probably at no time in the history of the Senate has the calendar of the Senate been in better shape. I appreciate the work done by our excellent staff and by all our employees, and I particularly appreciate the cooperation I have received from the minority in the scheduling of the program.

The PRESIDING OFFICER. What is the pleasure of the Senate.

CHANGES IN REGULATION OF PUBLIC UTILITIES IN THE DISTRICT OF COLUMBIA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of order 258, S. 184, the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 184) to make certain changes in the regulation of public utilities in the District of Columbia, and for other purposes.

RECESS TO 2:25 P. M.

Mr. JOHNSON of Texas. Mr. President, ordinarily at this time the Senate would adjourn until tomorrow, but I understand that the Vice President and the State Department have made arrangements for the distinguished Prime Minister of Burma to visit the Senate at approximately 2:30 p. m. today.

Therefore, in a desire to cooperate fully, I move that the Senate stand in recess until 2:25 this afternoon.

The motion was agreed to; and (at 1:35 o'clock p. m.) the Senate took a recess until 2:25 o'clock p. m. the same day.

On the expiration of the recess, the Senate reassembled, when called to order by the Presiding Officer (Mr. MCNAMARA in the chair).

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

VISIT TO THE SENATE BY HIS EXCELLENCY U NU, PRIME MINISTER OF BURMA

The VICE PRESIDENT. The Prime Minister of Burma is to be the guest of the Senate today.

The Chair appoints the majority leader, the Senator from Texas [Mr. JOHNSON], and the minority leader, the Senator from California [Mr. KNOWLAND], as a committee to escort the distinguished visitor to the Senate into the Chamber.

Without objection, the Senate will stand in recess, subject to the call of the Chair.

Thereupon, at 2 o'clock and 37 minutes p. m., the Senate took a recess subject to the call of the Chair.

The Senate being in recess, His Excellency, U Nu, Prime Minister of

Burma, escorted by the committee appointed by the Vice President, entered the Chamber, and took the seat assigned to him immediately in front of the Vice President.

The members of the party accompanying the Prime Minister of Burma, consisting of His Excellency James Barrington, Ambassador of Burma to the United States; the Honorable Thiri Pyanchi U Thant, Secretary, Prime Minister's Department; the Honorable Walter Spencer Robertson, Assistant Secretary of State; the Honorable John F. Simmons, Chief of Protocol, Department of State; and the Honorable William J. Sebald, Deputy Assistant Secretary of State and Former Ambassador to Burma, were escorted to the Chamber, and took the places assigned to them.

The VICE PRESIDENT. It is my great privilege and honor to present to the Members of the Senate and to our guests in the galleries one of the world's great political and spiritual leaders, the Prime Minister of the Union of Burma.

[Applause, Senators rising.]

ADDRESS BY PRIME MINISTER U NU

Mr. NU. Mr. President and members of the United States Senate, it gives me very real pleasure to visit this body, which for so long has stood as one of the great symbols of government of the people, by the people, and for the people.

As you know, I come to visit you from half way around the world.

We in Burma already feel very close to the United States, and I have long wanted to get to know you more intimately. This is the purpose of my visit. While I am here I expect to see your cities, your factories, and your farms, and to talk with as many Americans as I can.

One reason why we in Burma feel a deep friendship for America is that your experience in many respects has been a shining example to us during many years of our struggle for independence, as well as in our effort to apply the principles of democracy.

There are three aspects of your history that are particularly well known to us, perhaps the more so because they so strikingly parallel our own brief history as a free, independent, and democratic nation.

The first of these parallels is that we were both colonial possessions of the same empire, and both had to struggle to win our right to self-government. And I am happy to say that both of us now live in friendship with our former landlord, with whom I have just had a pleasant and constructive visit.

The second parallel is that both of our countries adopted constitutions designed to secure personal liberty to all of our peoples, to institute systems of government by law, to provide the institutions of democratic rule, and to insure political and economic and social justice.

I dare to suggest that the leaders of our independence movement were as familiar with the Constitution of the United States as you yourselves. I mention this not to boast, but to remind you that the great document that was framed in Philadelphia nearly 175 years ago has served through all the intervening time as a beacon to fighters for freedom everywhere. And it shines as brightly today as ever.

The third parallel I should like to mention is that both of our nations adopted in their early years an independent foreign policy, designed to maintain the friendship of all nations and to avoid big-power alliances. You are aware that this policy of ours is not without its critics. Nor, for that matter, was yours. Be that as it may, it does offer another parallel between our early histories as independent nations.

May I add, Mr. President, the fervent hope and confident expectation that two nations that started out in such similar fashion will continue along parallel paths in friendship and cooperation. Thank you.

[Applause, Senators rising.]

The VICE PRESIDENT. We have with us another distinguished guest, who is in the gallery. I know that all Members of the Senate and the visitors in the galleries would like to greet the wife of the Prime Minister, Mrs. Nu.

[Mrs. Nu rose, and was greeted with applause, Senators rising in their places.]

The VICE PRESIDENT. I know that the Members of the Senate would like an opportunity personally to greet and welcome the Prime Minister.

The Prime Minister of Burma was thereupon escorted to the well of the Senate, where he was greeted by the Members of the Senate, after which he and his party retired from the Chamber.

At 2 o'clock and 50 minutes p. m. the Senate reassembled when called to order by the Presiding Officer (Mr. SPARKMAN in the chair).

ORDER FOR ADJOURNMENT TO 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when it concludes its business today, the Senate adjourn until 10 o'clock tomorrow morning.

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

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. JOHNSON of Texas. Mr. President, it is the purpose of the leadership, following the morning hour tomorrow, to move to proceed to the consideration of the public works authorization bill, which has been reported today by the Committee on Armed Services. It is anticipated that the consideration of that bill will not take very long, perhaps an hour or 2 hours. So far as the leadership is aware, no other controversial legislation will be considered tomorrow.

At the conclusion of its business tomorrow, the Senate will go over until Tuesday next.

The early hour of convening tomorrow is for the purpose of accommodating as many Senators as plan to leave town, so that they can use most of the day in traveling to their States.

ATOMIC POWERED INSTALLATIONS FOR REA

Mr. HUMPHREY. Mr. President, within the past week the Rural Cooperative Power Association of Elk River, Minn., submitted an application to the Rural Electrification Administration for loan funds in order to provide certain facilities to be installed in a reactor powered unit at that particular REA installation. Of course, this is in cooperation with the Atomic Energy Commission.

I want the Senate to know about this, because I believe it is the first formal application of a rural electric cooperative for an energy reactor plant with which to generate electrical energy.

The Rural Cooperative Power Association, of Elk River, Minn., obtained the services of some outstanding engineers in the preparation of a design and a program. The application for loan funds included the engineering studies which were made in behalf of the REA at Elk River, Minn.

Therefore, I ask unanimous consent to have printed at this point in the body of the RECORD a letter dated June 23, 1955, addressed by me to Admiral Lewis L. Strauss, Chairman of the Atomic Energy Commission; a letter dated June 23, 1955, addressed by me to the Hon. Clinton Anderson, chairman of the Joint Committee on Atomic Energy; and a letter dated June 23, 1955, addressed by me to Mr. Ancher Nelsen, Administrator, Rural Electrification Administration.

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

JUNE 23, 1955.

LEWIS L. STRAUSS,
Chairman, Atomic Energy Commission, Washington, D. C.

DEAR ADMIRAL: The Rural Cooperative Power Association of Elk River, Minn., has submitted to you a detailed proposal requesting your cooperation in a joint venture for the installation and operation of an atomic nuclear steam-electric powerplant under the provisions as established for such projects in section 31 of the Atomic Energy Act of 1946, as amended in 1954.

I want you to know that I am keenly interested in this project, and most strongly urge its early and favorable consideration by the Atomic Energy Commission.

Minnesota is eager to pioneer in effective utilization of nuclear energy for producing electrical power.

It is my understanding that all the projects of this nature now underway for industrial power production are units of 100,000 kilowatts and larger. Minnesota's Rural Cooperative Power Association has placed before you a carefully developed proposal based upon a type of reactor which is particularly designed to fit the requirements of companies and municipalities or cooperatives such as their own with 22,000 kilowatts. We believe this is the first design favoring smaller units, which we feel would have the broadest future application for producing electric energy or heat for industrial application.

Minnesota rates among the highest power-cost areas in the United States, and should be entitled to preference as a location for such developments as proposed. The reactor design submitted to you comes recommended by men of great experience and high qualifications.

Our Minnesota Rural Cooperative Power Association could probably wait another 5 or 10 years while others in the industrial East

developed atomic energy for them. However, they feel, quite rightly, that since a practical design and plan is now available which would bring economy to their REA members and which could bring many substantial economic improvements to industry in our State, they do not want to spare themselves by delay.

All Minnesota is keenly interested in this undertaking, and will support favorable action on the part of your Commission. Our farmers and our industries have a common interest in development of such new power sources.

We earnestly hope we can have the Commission's cooperation in bringing this proposal to actuality. I would appreciate being kept fully informed as to your reaction toward this undertaking.

Sincerely,

HUBERT H. HUMPHREY.

JUNE 23, 1955.

The Honorable CLINTON ANDERSON,
Chairman, Joint Committee on Atomic Energy, United States Senate, Washington, D. C.

DEAR SENATOR: Minnesota is eager to pioneer in development of nuclear energy for electrical power. As one of the highest cost power States in the Nation, we urgently need the potential benefits of this new power source, both for our farm people and our industries.

The Rural Cooperative Power Association of Elk River, Minn., has submitted to the Atomic Energy Commission a detailed proposal requesting its cooperation in a joint venture for the installation and operation of an atomic nuclear steam-electric powerplant, under the provisions as established for such projects in section 31 of the Atomic Energy Act of 1946, as amended in 1954.

Briefly, the proposal is as follows: The Atomic Energy Commission acting under section 31, with the association as its agents, would construct an AMF closed-cycle boiling water reactor, a type particularly designed to fit the requirements of companies and municipalities or cooperatives with 22,000 kilowatts. The cooperative would staff the plant and operate it, and would repay on the basis of steam output cost to the Government for fuel burn-up, interest on its investment, and money toward amortization of the Government's investment. Details are outlined in the complete presentation. The cooperative, with funds borrowed from the Rural Electrification Administration, would install a 22,000-kilowatt turboelectric generator, using building space and other facilities presently installed at the Elk River plant.

It is proposed that approximately 3½ years would be involved in the design, construction, and testing period for putting this plant into operation. The co-op's board of directors has been advised by many persons of responsibility and high integrity with up-to-date knowledge of atomic energy that its proposed design is practical and possible, and the figures in the proposal bear out that considerable economic improvement can be made with facts now available.

I am enclosing for your information a copy of the association's letter of transmission of its complete, documented proposal to the Atomic Energy Commission. I am also asking the association to send you a copy of the complete brochure of presentation, including details of the reactor design which they believe is the first design favoring smaller units which could well have the broadest application for producing electric energy for heat for industrial application.

I want to urge all possible encouragement and support for this great undertaking in Minnesota. I have voiced such an appeal to Chairman Strauss, of the Commission, and hope we can have the support and backing of the joint congressional committee.

I know that representatives of the association fully informed on technical details of the proposal would be pleased to discuss the project at more length with you personally, or with your committee, at your convenience.

Sincerely,

HUBERT H. HUMPHREY.

JUNE 23, 1955.

Mr. ANCHER NELSEN,
Administrator, Rural Electrification Administration, United States Department of Agriculture, Washington 25, D. C.

DEAR ANCHER: On June 13, the Rural Cooperative Power Association of Elk River submitted to you a request for loan funds for the cooperative's part in providing certain facilities to be installed in a reactor-powered unit in cooperation with the Atomic Energy Commission.

I want you to know how keenly interested I am in this undertaking, and urge your utmost cooperation into bringing to reality this great venture which offers such vast potentialities for our State.

Full details of the entire proposal are being made available to you by the cooperative. I certainly hope the REA can be counted on not only to provide part of the financing necessary, but also to support before the Atomic Energy Commission the request of this far-seeing Minnesota association.

I would appreciate being kept informed of your reaction to this undertaking, and your efforts in its behalf.

Sincerely,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, in connection with the appropriation of funds for the Rural Electrification Administration for the fiscal year 1954, I brought out in the debate, while interrogating the junior Senator from North Dakota [Mr. YOUNG], the fact that under the REA law, money would be available for this kind of power unit, namely, an atomic energy reactor power unit for REA purposes.

I think the Senate will recall that as we debated amendments to the Atomic Energy Act last year, one of the amendments offered by the junior Senator from Minnesota, which was adopted provided for the use of atomic energy for REA power purposes. This provision, together with the so-called Johnson amendment, which was submitted by former Senator Edwin Johnson, of Colorado, makes available under public law as it relates to the Atomic Energy Act, the use of nuclear fissionable materials and reactors for REA electrification purposes.

I mention the legislative history because the REA now has before it a formal application for such funds to provide for a reactor in an established rural electrification generation facility.

Likewise, the Atomic Energy Commission has been alerted and has had an application presented to it for its consideration. Thus both the REA and the AEC can work out a proposal and give their assent to the request.

I feel this will be a milestone in the development of the peacetime use of atomic energy. It is my hope that, as an example of what atomic energy may mean to the people, not only of the United States, but of the whole world, this original application, this first application, for the use of nuclear materials in a reactor plant for REA purposes will be granted. It is for that reason that I have brought to the attention of the Senate the exchange of correspondence which has taken place and the nature of the application which has been made by the Elk River, Minn., Rural Cooperative Power Association.

Mr. President, I desire now to refer to another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

ATTEMPTED DISTORTION OF HISTORICAL FACTS FOR POLITICAL GAIN

Mr. HUMPHREY. Mr. President, some time ago there was considerable discussion about some of the facts which related to our Far Eastern Policy, especially as it related to the use of the 7th Fleet. In recent years we have witnessed a growing trend toward the rewriting of history for political purposes. It is understandable that occasionally, in the heat of political battle something may be said which is not historically accurate. But I am speaking now of the calculated and documented attempt to distort the historical facts for political gain.

The most recent example of this which has come to my attention is contained in an article written by Nat S. Finney, and published in the Buffalo Evening News under the dateline, "Washington, April 21." I shall read a portion of the release, as follows:

> Former President Harry S. Truman tried to make partisan political capital out of his most vulnerable official decision when he attacked President Eisenhower for changing the orders of the Seventh Fleet.
>
> This is the opinion of Representative JUDD (Republican, Minnesota) Congress' leading expert on Asian affairs * * *.
>
> Dr. JUDD today expressed himself as astonished that Mr. Truman referred to the decision in his speech at last Saturday's dinner for House Speaker RAYBURN.
>
> "It seems to me it was a case of the man protests too much," said Dr. JUDD, who, during his early years, was a medical missionary to China.
>
> Dr. JUDD says that the historic evidence is now complete that when Mr. Truman ordered the fleet to make Chinese Nationalist forces "prisoners on Formosa" he released the Red Chinese forces that intervened in Korea, and that when President Eisenhower reversed the order he took the crucial step that brought an end to the Korean war.

So that I may not be charged with quoting out of context, Mr. President, I ask that the article from which I have been quoting be printed in its entirety at this point in my remarks.

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

[From the Buffalo Evening News]

SEVENTH FLEET ORDER CALLED TRUMAN'S WORST BLUNDER—JUDD AMAZED THAT EX-PRESIDENT NOW RAISES CANCELLATION BY IKE AS A POLITICAL ISSUE

(By Nat S. Finney)

WASHINGTON, April 21.—Former President Harry S. Truman tried to make partisan political capital out of his most vulnerable official decision when he attacked President Eisenhower for changing the orders of the Seventh Fleet.

This is the opinion of Representative JUDD (Republican, Minnesota), Congress' leading expert on Asian affairs. Dr. JUDD

today expressed himself as astonished that Mr. Truman referred to the decision in his speech at last Saturday's dinner for House Speaker RAYBURN.

"It seems to me it was a case of the man protests too much," said Dr. JUDD, who, during his early years, was a medical missionary to China.

EISENHOWER CANCELED ORDER

Dr. JUDD says that the historic evidence is now complete that when Mr. Truman ordered the fleet to make Chinese Nationalist forces prisoners on Formosa he released the Red Chinese forces that intervened in Korea, and that when President Eisenhower reversed the order he took the crucial step that brought an end to the Korean war.

General Eisenhower, Dr. JUDD says, was so incensed at the military stupidity of the Truman order that he made its cancellation his first official act. He announced he had reversed the Truman order in his first state of the Union message in 1953.

The inexplicable thing about the Truman order, according to Dr. JUDD, is that Mr. Truman failed to change it after Red China intervened in the Korean war and Red Chinese troops were inflicting some of the heaviest casualties of the war on American forces.

DEFENDED AGGRESSORS

Dr. JUDD said he considers Mr. Truman's use of the word "unleashing" in connection with General Eisenhower's January 1953 statement a "sheer political canard."

"It was the men who relieved the Red Chinese of the necessity of manning a defense of their coast who invented the expression unleasing," Dr. JUDD says. "President Eisenhower used no such language. He simply said that American forces would no longer be used to defend the Red Chinese, who at that moment were killing American soldiers in Korea."

The specific order to which Mr. Truman referred was issued June 27, 1950, and the explanation given was that the United States wanted to prevent an outbreak of fighting in the Formosa area. The wording of the order caused violent protests at the time. The language that was questioned was:

OPENED KOREA TO REDS

"Accordingly, I have ordered the 7th Fleet to prevent any attack upon Formosa. As a corollary of this action, I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The 7th Fleet will see that this is done."

Mr. Truman, Dr. JUDD pointed out, permitted this order to stand after Red Chinese armies had swept across the Yalu River from Manchuria to rescue North Korean forces from the defeat inflicted after General of the Army Douglas MacArthur's landing at Inchon.

He let the order stand after intelligence reports from Korea showed that Red China was using military units that had been in Fugien Province on the Chinese mainland opposite Formosa until they were released by the 7th Fleet's defense of Red China from any possible attack by Marshal Chiang Kai-shek's army.

NO AGGRESSION IMPLIED

To a trained military leader like President Eisenhower, Mr. Truman's action in relieving the Red Chinese from military necessity of defending their coast was incomprehensible, Dr. JUDD says.

President Eisenhower made this clear in his state of the Union message when he said:

"Permit me to make crystal clear this order implies no aggressive intent on our part. But we certainly have no obligation to protect a nation fighting us in Korea."

Dr. JUDD points out that the Communist bloc in Asia, which had held armistice negotiations in deadlock on the prisoner-of-war issue for months at Panmunjom immediately reversed its position. With the deadlocked prisoner-of-war issue out of the way the negotiations succeeded in producing an end of the fighting.

TRUMAN POLICY EXTENDED WAR

"There was no political trickery involved in saving American lives and ending the fighting," Dr. JUDD says.

No satisfactory answer was ever offered by Mr. Truman or his administration for the fact that the June 27, 1950, order to the Seventh Fleet was kept in force for 18 months after Red China intervened in Korea.

"Whatever the Truman policy was designed to accomplish, the effect it actually had was to extend the war by assuring the Communists that they could intervene in Korea with impunity, which they promptly did," Dr. JUDD says.

"Without that intervention which his policy encouraged and made possible, North Korea would have been crushed by the end of 1950. By this policy the Korean War was extended 2 years at the cost of additional thousands of American lives."

Mr. HUMPHREY. Mr. President, this is not the first time we have heard this particular bit of history presented in a politically imaginative way, and I do not suppose it will be the last. But I think that each time we encounter this sort of manipulation of the historical facts, we must make an effort to set the record straight. That is what I intend to do here, this afternoon.

First, we must go back to the original order of President Truman at the time of the Korean aggression that sent the Seventh Fleet to patrol the waters of the Formosa Strait. Here is what President Truman said in his statement to the Congress on June 27, 1950, relative to that order:

The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the Security Council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area.

Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.

I have also directed that United States forces in the Philippines be strengthened and that military assistance to the Philippine Government be accelerated.

I have similarly directed acceleration in the furnishing of military assistance to the forces of France and the associated states in Indochina and the dispatch of a military mission to provide close working relations with those forces.

If we go back and consider this action in its historical context, we see that President Truman took a series of measures at that time to insure that communism would not "use armed invasion and war" against our allies in the Philippines, Indochina, or on Formosa.

President Truman clarified this action still further in his message sent to the Congress on July 19, 1950. At that time he said:

Our action in regard to Formosa was a matter of elementary security. The peace and stability of the Pacific area had been violently disturbed by the attack on Korea. Attacks elsewhere in the Pacific area would have enlarged the Korean crisis, thereby rendering much more difficult the carrying out of our obligations to the United Nations in Korea.

In order that there may be no doubt in any quarter about our intentions regarding Formosa, I wish to state that the United States has no territorial ambitions whatever concerning that island, nor do we seek for ourselves any special position or privilege on Formosa. The present military neutralization of Formosa is without prejudice to political questions affecting the island. Our desire is that Formosa not become embroiled in hostilities disturbing to the peace of the Pacific and that all questions affecting Formosa be settled by peaceful means as envisaged in the Charter of the United Nations. With peace reestablished, even the most complex political questions are susceptible of solution. In the presence of brutal and unprovoked aggression, however, some of these questions may have to be held in abeyance in the interest of the essential security of all.

Here again President Truman reiterated the intent of his order: That Formosa not become embroiled in hostilities. At no time during this 2½-year period did anyone suggest that his order of June 17, 1950, had a purpose other than this. I have been unable to find any objection to this order during the first 2½ years it was in effect. I shall be glad to stand corrected if anyone can point out to me where anything other than this was suggested during that period. My researches have not disclosed any such criticism.

Quite to the contrary, Mr. President. At that time President Truman also stated his intention of removing the Seventh Fleet from the Formosa Strait as soon as the Korean War was ended. He met with strong opposition to this suggestion. First, let me read from Mr. Truman's press conference. The question was asked of him:

Does that mean that when peace and security are restored in Korea by the United States forces the United States Seventh Fleet will be withdrawn from the Formosa Strait?

According to the Washington Post of September 1, 1950, President Truman replied, and I read from the Washington Post:

Mr. Truman, after referring the reporter to his several messages, said that the Formosa situation would have to be settled in the Japanese Peace Treaty—settled by the nations that fought Japan and the nations which have occupation forces in Japan now.

Of course, the President said, it would not be necessary to keep the Seventh Fleet in the Formosa Strait after the Korean conflict is over. That, he explained, was a flank protection on our part for the United Nations forces in Korea.

This statement met with immediate criticism. For example, a column by David Lawrence was placed in the RECORD by the Senator from California [Mr. KNOWLAND]. It appeared in the Washington Star of September 1, and was headlined:

Pacific Munich hinted in Truman's words on fleet at Formosa—Did MacArthur know of new appeasement move? writer asks.

And here is what Mr. Lawrence had to say:

Is the United States Government trying to wiggle out of its entanglement in defending Formosa and thus make diplomatic concessions to certain European governments and pave the way for appeasement of Communist China and its possible admission to the Security Council of the United Nations?

This question may well be asked now in view of the startling announcement by President Truman to his press conference that, as soon as the Korean episode is over, it would not be necessary to keep the United States Navy's 7th Fleet in the Straits of Formosa. Mr. Truman added that the presence of this fleet in that position was just a flank protection for our forces in Korea.

This is not only an amazing contradiction of the strategy which the United States Joint Chiefs of Staff cannot but have developed for the protection of the Japan-Okinawa-Philippines perimeter of our defense, but it is a complete disavowal recently given, as to the importance of defending Formosa.

So we see that at this time the criticism of President Truman was not that he had ordered the 7th Fleet to patrol the Formosa Strait. Rather, he was being criticized for saying it would not be necessary to keep the 7th Fleet in the Formosa Strait after the Korean conflict was over.

Again, there was no criticism of the order that sent the 7th Fleet into the Formosa Strait. Nor did anyone suggest that the 7th Fleet was there to defend the Chinese Communists from the Chinese Nationalists. This novel idea did not appear until two and a half years after the order was promulgated.

Here is how President Eisenhower put it when he appeared before Congress for the first time, on February 2, 1953:

In June 1950, following the aggressive attack on the Republic of Korea, the United States 7th Fleet was instructed both to prevent attack upon Formosa and also to insure that Formosa should not be used as a base of operations against the Chinese Communist mainland.

This has meant, in effect, that the United States Navy was required to serve as a defensive arm of Communist China. Regardless of the situation in 1950, since the date of that order the Chinese Communists have invaded Korea to attack the United Nations forces there. They have consistently rejected the proposals of the United Nations command for an armistice. They recently joined with Soviet Russia in rejecting the armistice proposal sponsored in the United Nations by the Government of India. This proposal had been accepted by the United States and 53 other nations.

Consequently there is no longer any logic or sense in a condition that required the United States Navy to assume defensive responsibilities on behalf of the Chinese Communists. This permitted those Communists, with greater impunity, to kill our soldiers and those of our United Nations allies, in Korea.

I am, therefore, issuing instructions that the Seventh Fleet no longer be employed to shield Communist China. Permit me to make crystal clear, this order implies no aggressive intent on our part. But we certainly have no obligation to protect a nation fighting us in Korea.

As I have said, Mr. President, this imaginative interpretation of the Seventh Fleet's mission in the Formosa Strait burst full blown upon the scene 2½ years after the President's order of June 17, 1950, already quoted. The idea that the United States Navy was there to protect the Chinese Communists from attack by the Chinese Nationalists was just too preposterous to occur to anyone during this entire period.

The Chinese Nationalist Government had retreated to Formosa only a short time before, on June 17, 1950, and was still trying to recover from the beating it had taken on the mainland. At that time, Chiang Kai-shek's forces were not threatening to attack the mainland, they had only just withdrawn from it in defeat. So the idea that the Seventh Fleet during that period was being employed to shield Communist China is so palpably absurd that it required considerable political ingenuity to conceive of it.

I am glad to see that President Eisenhower has not persisted in speaking of the mission of the Seventh Fleet in this way. In his message which he sent to Congress accompanying the Formosa Resolution, on January 24 of this year, he said:

The United States and the friendly Government of the Republic of China and indeed all the free nations, have a common interest that Formosa and the Pescadores should not fall into the control of aggressive Communist forces.

Influenced by such considerations, our Government was prompt, when the Communists committed armed aggression in Korea in June 1950, to direct our 7th Fleet to defend Formosa from possible invasion from the Communist mainland.

These considerations are still valid. The 7th Fleet continues under Presidential directive to carry out that defensive mission.

I think that this statement of the 7th Fleet's role in Formosa is much more in accord with the historical facts, and I am gratified that the President has so stated them.

Indeed, the Formosa resolution bears this out. We are still being asked in 1955 to defend the Chinese Nationalists on Formosa from attack by the Chinese Communists on the mainland. If we must defend the Chinese Nationalists now, it is a bit hard to believe that we were defending the Chinese Communists on the mainland from attack by the Chinese Nationalists between June 17, 1950, and February 2, 1953.

Are we to believe that the Nationalists on Formosa were a threat to the Communists on the mainland during that period? If they were not, then how are we to account for President Eisenhower's words, that the United States Navy was required "to assume defensive responsibilities on behalf of the Chinese Communists?" If the Nationalists were so strong then that our Navy was serving as a shield to Communist China, what has happened to them since? Why are they so weak now that we must defend Formosa against attack from the mainland?

I do not think I need spell this out further, Mr. President. I will let the record speak for itself. My intent has been to recount the facts and correct this distortion of history for political purposes.

Mr. President, I have taken the time to mention this particular subject because I determined a long time ago that when I felt that the facts of history were being outrageously distorted and objectivity was being sacrificed, for partisan purposes, I, as one who has a love of history and, I may say, a love for his country, should undertake to set the facts straight.

I realize that the timeliness of these remarks is not involved in the current political situation. However, the distortion of history relating to the Seventh Fleet in the Formosan Straits does not go unchallenged, nor should it go unchallenged.

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

Mr. HUMPHREY. I shall yield in a moment. I want the record to be clear, and I shall insist that it be clear. In the statement which I have prepared there is documentation from Executive orders, newspaper clippings, statements of speeches by former President Truman, and President Eisenhower, along with a series of editorials, which I have incorporated in my remarks, so that the pages of history, at least as they are written in the CONGRESSIONAL RECORD, will be honorable, effectual, and pertinent to the particular problems which affect us, and will not be distorted Russian style.

The facts speak for themselves, because the facts are written in the printed record, and the printed word can not be altered even by those who would like to doctor the record, unless the words are quoted out of context or misinterpreted, or the meaning of words is reinterpreted.

I now yield to the Senator from Louisiana.

Mr. LONG. Does the Senator think it might be appropriate if the administration submitted a list of the accomplishments during the 2 years in which Chiang Kai-shek was supposed to have been unleashed and turned loose against the Chinese mainland?

Mr. HUMPHREY. Such a list would be very welcome. I might say, as a layman, I do not think such a list would make a very large book.

Mr. LONG. Would it not perhaps be interesting to find out the extent to which Chiang Kai-shek might have created problems for the Chinese Communists during the time the administration regarded him as being on a leash?

Mr. HUMPHREY. I think that would make very interesting reading. I wish to say most respectfully I have no desire to engage in a long debate on the subject. I have had a statement on the matter prepared for some time. Frankly, the research was accomplished through cooperation of the Library of Congress. As one who spent only a few years in the classroom, but who had the privilege of teaching history, I should like to see history written honorably by honorable men. I should like to have the CONGRESSIONAL RECORD, when it refers to specific dates, events, and Government policy, be an accurate record rather than one which is twisted and turned like a political pretzel. There is a place for pretzels, and there is a place for history. Let us keep them separate. Pretzels belong in a barroom, and the writing of history belongs in honorable courts and honorable chambers.

THE IMPENDING CAPITAL TRANSIT CO. STRIKE

Mr. McNAMARA. Mr. President, I should like to call the attention of the Senate to a situation existing in Washington, the District of Columbia, which verges on a state of emergency because of a threatened transportation strike by the employees of the Capital Transit Co.

A couple of days ago the Senate Committee on the District of Columbia, realizing the inconvenience which would be forced not only on business places in the city, but on employees on the Hill, and on everybody else in the District of Columbia, saw fit to try to make a contribution toward keeping in operation the transportation system in Washington, District of Columbia. To that end, the Senate Committee on the District of Columbia appointed a subcommittee, which consisted of myself, the Senator from Oregon [Mr. MORSE], and the Senator from New Jersey [Mr. CASE]. The subcommittee was authorized to go into this matter with the persons concerned, in order to ascertain if we could accomplish the seemingly impossible task of keeping the transportation system in operation. The subcommittee had the authority of the full Committee on the District of Columbia to act for it during this emergency.

This morning hearings were held, after some correspondence with the interested parties. The subcommittee had meetings with the District Commissioners, the District of Columbia Public Utilities Commission, and the management and representatives of the Capital Transit Co., which operates the public transportation system in Washington. Our hope in going into the matter was that the committee might succeed in getting both sides to mediate the dispute. The members of the subcommittee thought we might be able to use the good offices of the Committee on the District of Columbia and the United States Senate to make a contribution toward getting the officials of the company voluntarily to agree to arbitration.

Upon early inquiry, we found that the union was ready for arbitration, but the management did not feel it was ready to arbitrate. It thought it would give away some of management's prerogatives if the company entered into arbitration at that time.

From all the information we have been able to gather, it appears that the employees involved are on the verge of a work stoppage, which will result in great inconvenience to the people of the District of Columbia. I am sure my colleagues of the subcommittee, the Senator from Oregon [Mr. MORSE] and the Senator from New Jersey [Mr. CASE], have something to add at this point. I should like to call on them to spell out some of the details involved. The Senator from Oregon has had many years of experience in dealing with such matters, because he has sat through long hearings involving the company, under its present and previous management. I am sure he would like to add something to the statement I have made.

Mr. MORSE. Mr. President, I rise this afternoon to discuss on the floor of the Senate, along with my distinguished colleague from Michigan [Mr. McNAMARA] and my distinguished colleague from New Jersey [Mr. CASE] in the capacity of alderman of the District of Columbia, a very tragic situation.

I wish to say it has been a great delight to me to serve with two such able men as the chairman of our subcommittee, the Senator from Michigan [Mr. McNAMARA], and the Senator from New Jersey [Mr. CASE]. It can be said beyond any question of doubt that we are of one mind insofar as our objectives are concerned, and we are of one mind about our conclusions concerning the importance, to the public as well as to the parties, that the dispute be settled short of a work stoppage at midnight tonight.

I see on the floor of the Senate at this time the Senator from Maine [Mr. PAYNE], who last year sat with me through many long hours on a subcommittee, of which he was the chairman, when we conducted hearings on the operations of the Capital Transit Co. in the District of Columbia. It is interesting to read the report made last year by our subcommittee, in the light of the present crisis which is developing in the transit system of the District of Columbia, because, as we sat through the hearings of last year, it was perfectly obvious that we had every right to expect the development of the kind of crisis which confronts us today.

Mr. President, at the outset let me say that I do not think it will be the last crisis which will occur in connection with this matter, unless some drastic changes occur in the policy of the management and also unless some changes occur in the legislation affecting the transportation system of the District of Columbia.

As is often true in the field of industrial relations, this is another case in which not everything is black, nor is everything white; it is not a case where all the wrong is on one side and all the right is on the other. Instead, this case involves mixed responsibility.

Nevertheless, there are certain features of the situation—and I point out that I am speaking now only for myself—which I believe should be made a matter of record today, because this is the hour when a record should be made in case a devastating loss to this community flows from strike action at midnight tonight.

At the beginning of these remarks, Mr. President, I wish to say that the work stoppage will not be a strike, alone. Instead, it will be as much a lockout as a strike. It should be pointed out that when the work stoppage commences, the total responsibility will not rest only on the shoulders of the workers, even though the management will no doubt say to them, "You have quit." As I shall disclose in the next few minutes, in this case we are dealing with a very adamant management, which in my judgment has taken the position that it has more to gain from a work stoppage than from continuity of work under employment by the transit company.

So long as the Congress of the United States has not given home rule to the people of the District of Columbia, so long as the Congress sets itself up as a city council for the District of Columbia, and retains unto itself jurisdiction over all municipal matters in the District of Columbia, the Congress must assume its fair share of responsibility for the developments which are occurring in connection with this transit situation. As I have been heard to say before, as a member of the Committee on the District of Columbia—and I repeat it today—I favor having the Congress get rid of its functions as alderman of the District of Columbia, and turn over those functions to the people of the District of Columbia, for them to exercise, under their rights as free citizens. However, we are confronted with the fact that that has not happened as of this hour.

So I wish to give a very brief review of the situation, because in my judgment—as of this moment, at least—the overwhelming odds are in favor of the occurrence of a strike tonight. What a silly, nonsensical thing it will be, Mr. President, because, just as surely as we sit on the floor of the Senate today, this labor dispute, like other transit disputes and labor controversies in the past, will run its course, and great damage will be done to private enterprise and also to the Government, because during the existence of a strike thousands of private employees and Government employees will arrive at work late, and there will be a general lowering of efficiency as a result of the transportation inconvenience which will be caused by the strike. Furthermore, Mr. President, when all is said and done, the economic loss which will accrue simply cannot be justified.

What is the explanation, Mr. President? It is that there are some muscle tensions and some stiff necks and some blockages of the cortex, in connection with the dispute. Let us be frank about it. As I said this morning in the Committee on the District of Columbia, we recognize that in this situation some rules of reason should be applied and we should take steps to prevent the economic loss and all the other resulting damage which will flow from the occurrence of a strike.

I understand that in the other branch of the Congress it has already been proposed, and may be proposed by other Members, that the Congress enact the so-called Virginia law by passing a bill which will make it illegal for the workers involved in this situation to strike. Mr. President, I cannot imagine a better way of playing directly into the hands of an adamant management of the transit system, than for the Congress to follow that course of action. Just as I am opposed to compulsory arbitration, Mr. President, so I am opposed to the principle of the so-called Virginia law. When, in the United States, we reach a point where the Federal Government says to a group of free workers, "You cannot strike," even though from the beginning those free workers have offered to arbitrate their differences, then in my judgment we shall have gone a long way toward denying freedom to labor in the United

States. I wish to say that we should make another legislative approach to this matter, if we have to, rather than pass a bill which would prevent the workers from exercising their economic rights, by way of the strike weapon.

I recognize that in this case we are dealing with an industry which is vested with a public interest, and with an industry which operates under a franchise. In other words, it operates under a grant of privilege from the Government. Under that grant of privilege, the industry has certain responsibilities and obligations. Mr. President, when industry is acting under a franchise, its management does not have the same status which is had by management in the steel industry, for instance. When management accepts a franchise and accepts the privilege given to it by a franchise, and when it has the advantage of being protected from competition—which is one of the advantages accruing under a franchise—then, in my judgment, it also accepts the responsibility of using every reasonable procedure to prevent what is likely to occur at midnight tonight, namely, a stoppage of work, which will result in great disadvantage to thousands upon thousands of persons in the Washington metropolitan area.

Mr. President, the Committee on the District of Columbia considered this matter. We did not think we should wait until a strike had occurred. We thought that, at least, we should offer our good offices to the parties to the dispute, in an attempt to see whether there was any possibility of reaching a settlement of the dispute, short of a work stoppage.

Therefore, on June 27, 1955, the chairman of the Committee on the District of Columbia, the very great Senator from West Virginia [Mr. NEELY], under instructions from the Committee on the District of Columbia, on which I have the honor to serve, addressed a letter to the Honorable Samuel Spencer, president of the Board of Commissioners of the District of Columbia, at the District Building, Washington, D. C.

Mr. President, it will take a little time to make this record, but the record must be made. Therefore, I wish to read into the RECORD at this point—and subsequently I desire to comment on the various letters—the letter the committee sent to the president of the Board of Commissioners. It reads as follows:

JUNE 27, 1955.

Hon. SAMUEL SPENCER,
President, Board of Commissioners,
District Building,
Washington, D. C.

DEAR COMMISSIONER SPENCER: The Senate Committee on the District of Columbia, in open session, today unanimously voted to address an inquiry to the Board of Commissioners requesting to be advised as to what steps have been or will be taken by the Board toward assisting in the settlement of the dispute which now exists between the Capital Transit Co. and the organization of its employees, with specific attention to the settlement of their differences short of a strike and a lockout, including a consideration of the desirability of arbitrating their differences.

The importance of the District of Columbia transportation system to the maintenance of the services of the District and Federal Governments is so great that this committee cannot sit by and watch a dispute grow which might result in closing down our transportation system. Because of the responsibility of this committee in the conduct of District of Columbia affairs, the committee stands ready to offer its help and services if it can contribute in any way to a settlement of the dispute without an interruption to the transportation system.

The committee further advises that in its opinion the Board of Commissioners should give immediate consideration to any proper proposal for making available to the Capital Transit Co. any financial aid that the company demonstrates it deserves.

The committee would appreciate hearing from you at your earliest convenience.

With the best of wishes and the kindest of regards, I am, always.

Faithfully yours.

This morning the Board of Commissioners met with the McNamara subcommittee of the Committee on the District of Columbia, and told us what the Board had done in response to our letter. Commissioner Spencer reported that yesterday afternoon the Board met with representatives of the company to discuss the problem of trying to find some ways and means of settling this dispute short of a strike.

Commissioner Spencer pointed out—and the record will bear me out in what I say, although I paraphrase it—that the Commissioners drew to the attention of the management the fact that there has been before the Congress a bill which seeks to change the present situation in regard to the fares which school children pay the Capital Transit Co. for tickets to get them to and from school.

At the present time the Capital Transit Co., as a matter of law, is obligated to carry school children at so-called half fare. The Senator from Maine will recall that last year this question was discussed at some length in our committee, and the bill pending before the Senate at the present time, Senate bill 184, to make certain changes in the regulations of the Public Utilities Commission of the District of Columbia, and for other purposes, contains, on page 7 thereof, a legislative provision modifying the school-ticket fare for the District of Columbia by doing away with the so-called half fare. It was the opinion of our committee last year that the residents of the District of Columbia had no right to call upon the Capital Transit Co., to really subsidize the transportation of children to schools in the District of Columbia. We took the position that there was great merit in the argument of the Capital Transit Co. last year, that when we impose that obligation upon the transportation system we really are asking the transportation system to subsidize a service which ought to be paid for either by the parents of the children or by the taxpayers as a whole.

The Senator from Maine will recall that I took the position last year that, a very strong case could be made for the burden being assumed by the taxpayers as a whole. It has become quite a common practice in many places in the United States for the taxpayers to supply free transportation service to school children. If one travels a stone's throw outside the District, into Maryland, he sees bus service being supplied to various school districts, to take the children to so-called consolidated schools. When we come within the city limits, we find that school children must go just as far, and sometimes much farther, than some of the rural children have to go to consolidated schools in the rural areas, where they receive free bus service at the expense of the taxpayers.

I am still of the opinion that the burden of transporting school children ought to be paid for by the taxpayers as a whole, if not by their parents. At least, I am certain that it is not a burden which ought to be imposed upon the Capital Transit Co. Although I am very critical of the Capital Transit Co. in regard to various phases of the question immediately before us, I believe, on the question of school fares, that the Capital Transit Co. has a sound case, and that the Congress ought to take the necessary steps to afford the company certain financial relief.

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

Mr. MORSE. I am happy to yield to my distinguished colleague from Maine.

Mr. PAYNE. First, let me say that I believe the Senator from Oregon is entitled to the gratitude of the committee and of the Senate for the long hours of patient work he has devoted to the study of the operations of the Capital Transit Co., as well as of the utilities situation generally in the District of Columbia.

In connection with the discussion of school fares, I wonder if the Senator from Oregon remembers that the fare of 3 cents a pupil was put into effect in 1931. It was imposed by an act of Congress taking that particular subject completely out of the hands of the Public Utilities Commission of the District of Columbia, which, among other functions, has authority to establish and regulate the fares to be charged upon public transportation facilities within the District of Columbia.

Mr. MORSE. The Senator from Maine is entirely correct. I distinctly recall the discussion last year by the Senator from Maine during our transit hearings. The record will show that the Senator from Maine said he thought that was a very unfair position for the Congress to take. He took the position that the Public Utilities Commission ought to be given jurisdiction over this subject.

There is now before the Senate a bill, of which the Senator from Maine is the author, and with respect to which the distinguished Senator from Maryland [Mr. BEALL] is associated as a cosponsor, which seeks to correct the injustice which we concluded last year existed, following hearings on the school fare matter.

Mr. PAYNE. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. PAYNE. I think there is no question that in 1931 3 cents was probably a fair rate, based upon the other rate structures in effect in the District at that time. But certainly many changes have taken place between 1931 and 1954, when we submitted the report to which the Senator referred. That report was submitted in May of 1954.

If the Senator has no objection, I should like to ask unanimous consent to have printed in the RECORD at this point section D, on page 61 of the report relating to the public transportation serving the District of Columbia. This section is under the heading "Arbitration Dispute."

Mr. MORSE. I welcome it; and I thank the Senator for inserting it in the RECORD at this point.

Mr. PAYNE. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an excerpt from Report No. 1274, 83d Congress, second session, on the subject of public transportation serving the District of Columbia, the excerpt being that portion beginning on page 61, under the heading "Arbitration Dispute," and continuing to page 62.

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

D. ARBITRATION DISPUTE

At a hearing on January 5, 1954, Walter J. Bierwagen, 15th international vice president of the Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., and president of division 689 (Capital Transit Co. employees' union), charged that the Capital Transit Co., following a pattern which has developed since the Wolfson group took over control of the company, refused to arbitrate a pension dispute contrary to the express provisions of section 2 of the agreement between the company and the union signed on September 11, 1952. Section 2 provides among other things that:

"It is hereby agreed that properly accredited officers of the company shall meet and treat with properly accredited committees or officers of the association, who may be employees of the company, or general officers of the Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, on all questions and grievances that may arise during the life of this agreement, and should there be any questions or grievances that cannot be amicably adjusted by said conferences, the same shall be submitted to a board of arbitration composed of 3 persons, 1 to be chosen by the company, 1 to be chosen by the association, and the 2 thus selected to select a third disinterested arbitrator who shall be representative of the public; the findings of a majority of said board of arbitration to be final and binding on the parties hereto."

Section 14 of the agreement provides that:

"The retirement and disability benefits for the employees covered by this agreement are set forth in Capital Transit Co. employees' retirement plan which is set forth in full as appendix A hereto and made a part hereof."

At subsequent hearings the subcommittee went into this matter in considerable detail. Both the company and the union presented the subcommittee with briefs and other information which have been carefully reviewed.

The subcommittee conclude that the language in section 2 of the agreement between Capital Transit and division 689 which states: "and should there be any questions or grievances that cannot be amicably adjusted by said conferences, the same shall be submitted to a board of arbitration." is explicitly clear. Within the transit industry pension plans have been as a matter of historic pattern, subject to arbitration in agreements containing similar or almost identical language to that contained in the agreement between Capital Transit and division 689.

The inconsistency between the company's refusal to discontinue its discriminatory hiring practices, because of the questionable threat of a wildcat strike on grounds that such a strike would be detrimental to the company and the public, and its refusal to submit a pension dispute to the required arbitration, in spite of the serious threat of full-scale strike, is obvious. The Capital Transit Co. follows that course of action which best suits the interests of its controlling group, irrespective of the public interest.

The subcommittee did not enter into any discussion of the merits of the pension dispute itself but limited its inquiries to the arbitration question. Since it is contrary to the policies of the Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, A. F. of L., to refer arbitration disputes to the courts, in the belief that only voluntary arbitration can be successful, the subcommittee believe that unless the company changes its present attitude, a strike well may be inevitable.

Mr. PAYNE. Mr. President, if the Senator from Oregon will further yield, I think he will recall very well indeed—because no member of the subcommittee was better qualified to consider matters of labor relations than was our distinguished colleague from Oregon, who had worked on many cases of a similar nature—that in the concluding statement of the section which is being placed in the RECORD, the committee found that unless voluntary arbitration were used, and the company changed its then attitude—back in May of 1954—a strike might well be inevitable.

Mr. MORSE. The Senator from Maine is quite correct. As I implied earlier in my remarks, as we sat in the Capital Transit Co. hearing last year, it was perfectly clear to us that we were headed into an industrial storm this year unless the parties started last year to devise effective procedures for avoiding the thing which is about to happen. That is why we stressed, as much as we did, the suggestion that they try to agree among themselves on a plan of voluntary arbitration and a new contract.

I note the presence in the Chamber at this moment of the distinguished Senator from Maryland [Mr. BEALL]. I wish to pay to the distinguished Senator from Maryland a tribute similar to that which I paid to the distinguished Senator from Maine [Mr. PAYNE]. The Senate is greatly indebted to the Senator from Maryland for the work he did last year on the District of Columbia Committee in connection with the transit hearings.

He is not charged in the slightest degree with responsibility for any of the points of view which I expressed then, or the points of view which I now express.

I think it is generally recognized that the hearing which we conducted last year was of a high caliber. The high caliber of the hearing was very largely due to the contributions and the great help we received from the Senator from Maryland, as well as the Senator from Maine.

I ask the very close attention of the Senator from Maryland as I discuss the matter, with the clear understanding that I do not impute to him any agreement with some of the observations I shall make before I finish my remarks. However, I wish the Senate to know that the State so ably represented by the Senator from Maryland will be greatly affected if the strike should take place, because the effect of such a strike would be felt throughout the whole metropolitan area, which reaches into the Silver Spring area and generally to the Northwest of the city.

Therefore I welcome his interest in the discussion and any comments he may care to make, or any modification he believes ought to be made.

Mr. BEALL. Mr. President, of course I am greatly indebted to the Senator from Oregon for his very kind and complimentary remarks. I wish the record to show that the Senator from Oregon worked tirelessly on this subject. All the members of the committee last year were unanimous in adopting the report which was submitted to the Senate. Although we may have disagreed on procedure, when we submitted our report to the Senate, we were unanimous.

As the Senator from Maine [Mr. PAYNE] has pointed out, we then brought to the attention of the public what it could expect in view of the relationships which existed at the time between management and labor. What is happening is of no particular surprise to the members of the committee, because we felt all along that the present situation would arise. We felt that management had been very negligent. We felt that management knew what was going to happen, and we felt also that management could have avoided the situation as long ago as 6 or 7 months, if it had desired to do so.

I feel there is something behind what is going on now. The Capital Transit Co. considers that it is in an entirely different position than any other transit company, because it gets its franchise directly from the United States Government, and therefore the owners seem to think that it is a different kind of private corporation.

It is very commendable indeed and very timely for the Senator from Oregon to bring to the attention of the Senate the facts which he is bringing out.

Mr. MORSE. I thank the Senator very much.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MARTIN of Pennsylvania. I should like to ask a question of the Senator from Oregon. I believe it would help us in this very able discussion and in considering this very matter if we knew on what date the present management took control of the company.

Mr. MORSE. The Senator is asking when the present management took control of the Capital Transit Co.?

Mr. MARTIN of Pennsylvania. That is correct.

Mr. MORSE. It was in 1953, I believe.

Mr. MARTIN of Pennsylvania. I understand the discussion concerns both bus and trolley lines.

Mr. MORSE. Oh, yes; we are discussing the whole Capital Transit system.

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

Mr. MORSE. I yield.

Mr. WILLIAMS. How many fare increases has the Capital Transit Co. been granted since the present management took control of the company?

Mr. MORSE. I wish to be absolutely accurate. The present management has had one fare increase granted to its recently, and I believe there was a previous one, at about the time the present management took control of the company. However, I shall check into it and correct the RECORD within a few minutes if I am in error in my statement in that regard.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. WILLIAMS. Does the Senator from Oregon have a record which shows whether there have been any changes in the wage scale during the time that the present company has had control?

Mr. MORSE. Yes; there have been some changes in the wage scale, which are set forth in our committee report of last year. I will incorporate those figures in the RECORD. I shall take them from our report of last year. There have been a number of wage increases, a number of rate increases, and also a number of times when dividend payments have been made to stockholders by a variety of financial manipulations.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. WILLIAMS. Is it not a fact that after the company received permission from the Public Utilities Commission to raise its rates and make an extra dividend distribution, the Capital Transit Co. hired the former chairman of the Public Utilities Commission and put him on its payroll?

Mr. MORSE. That is correct.

Mr. WILLIAMS. Has the committee given some consideration to the thought that perhaps there might be some reason to question that procedure?

Mr. MORSE. The Senator from Delaware will recall that in our report of last year we had some comments to make on that practice. The Wolfson syndicate took control of the company in September 1949. The splitting of the reserve melon, so-called, caused the trouble in 1953, and we were in the midst of that problem in 1954, and that is what led to our hearings of last year.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. WILLIAMS. To keep the RECORD straight, it might be interesting to show that on February 28, 1953, Mr. James H. Flannagan resigned as chairman of the Public Utilities Commission, and later went on the payroll as vice president and comptroller of the Capital Transit Co. The record shows that throughout the period of the Wolfson ownership the attitude of the company has been one of complete disregard of the rights of the public and also complete disregard of all morals in business. He has no standards.

Mr. MORSE. I am glad to hear the Senator from Delaware say so, because that is what I think, too. I hope to prove it before I conclude my remarks this afternoon.

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

Mr. MORSE. I yield.

Mr. BEALL. I should like to answer a question raised by the Senator from Delaware with regard to employees of the Public Utilities Commission. Our committee has proposed legislation—and such proposed legislation is now on the calendar—to prohibit the employment of any Government employee by a private corporation with which he had any dealings as a public employee.

Mr. WILLIAMS. I am glad to hear the Senator say that. For a long time I have advocated the enactment of such a law. I hope Congress will enact it promptly. However, even without such a law on the statute books, I believe there is a moral responsibility on the part of business to conduct itself in such a manner that it will not subject itself to this kind of criticism. I have read the letter which Mr. Wolfson or his Capital Transit Co. forwarded to the chairman of the Committee on the District of Columbia yesterday, in which the company laid down certain demands which it said must be met by Congress before it would even consider sitting down and negotiating the present wage dispute. In this letter the company lists certain bills which it states Congress must pass, and likewise demands that the Public Utilities Commission shall pass favorably upon its application for rate increases before they will even begin negotiations. When any company feels it is big enough to make out a list of so-called must legislation which must be enacted before it will even arbitrate, the time may have come for us to find out just how big Mr. Wolfson is. As one Member of this Senate I refuse to act under any such ultimatum.

I voted in favor of a Taft-Hartley law provision which would give the Government the necessary authority, through injunction, if necessary, to control arrogant labor leaders when their actions threatened the public interest. That same provision was written with the necessary authority to control arrogant management also, and if this present transit strike develops, I hope the Department of Justice will move promptly to protect the public.

Mr. MORSE. I agree completely not only with everything the Senator from Delaware has stated but also with every implication the Senator has raised.

I should like to refer to the material we set forth in our committee report of last year, at page 39, when we dealt with the dividend policy of the Capital Transit Co. That dividend policy has more to do with the present crisis which confronts us than meets the eye of an unsuspecting public.

I call to the attention of the Senator from Maryland and my other colleagues in the Chamber what we said in our report of last year.

I read from page 39 of Report No. 1274, the report of the Committee on the District of Columbia, which the committee made last year:

For the 9 years from 1941 to 1949, Capital Transit paid $3,720,000 in cash dividends, out of $13,242,000 net earnings. For the 3 years from 1950 to 1952, cash dividends paid amounted to $5,424,000 while net earnings were only $3,546,000.

Let me repeat that statement, because it is pregnant with many implications to which the Senate should pay attention when it considers a suggestion I shall make in a few minutes with respect to what I believe ought to be done.

The statement reads as follows:

For the 3 years from 1950 to 1952, cash dividends paid amounted to $5,424,000 while net earnings were only $3,546,000. For the 9 months ended September 30, 1953, dividends paid amounted to $1,152,000, while net earnings were but $669,000.

A summary of earnings and dividends paid follows:

Mr. President, at this point in my remarks I ask unanimous consent that the summary be printed in the RECORD.

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

	Net earnings reported to PUC	Dividends paid	Dividends per share ($100 par basis)
1940	$872,082	$240,000	$1.00
1941	1,299,969	300,000	1.25
1942	1,717,188	420,000	1.75
1943	1,508,844	480,000	2.00
1944	1,534,920	480,000	2.00
1945	1,317,958	480,000	2.00
1946	965,854	480,000	2.00
1947	(93,416)	480,000	2.00
1948	396,315	120,000	.50
1949	325,816	480,000	2.00
1950	878,274	720,000	3.00
1951	1,413,250	960,000	4.00
1952	1,046,389	3,744,000	15.60
1953 (9 months)	668,555	1,152,000	4.80

Mr. MORSE. Mr. President, the report continues:

The present policy of paying dividends in excess of earnings could not be pursued unless the company had the cash with which to pay dividends. The source of this cash has been discussed in connection with the comments on rate base and working capital. It arises largely from liquidation of road and equipment, through depreciation recoveries in excess of amounts reinvested in property. There is a definite long-range relationship between dividend payments and amounts reinvested in property: when the former is high, the latter is low and vice versa. When earnings are being reinvested in property, they obviously are not available for payment of dividends. However, as the investment in property is liquidated, cash for dividends becomes available. This latter has been the situation with Capital Transit for the past several years. From 1950 to 1952, approximately $6.9 million of the property was converted into cash by way of depreciation charges recovered through revenues, while only $2.7 million was expended for new property. But the dividends that have been paid throughout the existence of Capital Transit Co. have all been paid from earnings of either current or prior years. There is no question of the company's paying dividends out of original paid-in capital.

The real question which arises out of the present dividend policy is whether management is depleting the resources of the company to the point where its ability to render service may be impaired either now or in the foreseeable future; whether at some time in the future the management will have stripped everything of value from the company and will then not be able to produce the necessary capital to provide adequate equipment to serve its patrons.

As I pointed out to the Senator from Maryland, that is the warning we gave last year.

This is just cause for future concern, although at the end of 1952, the company's financial structure was quite sound. It had $4.6 million working capital and a debt of only $5.7 million. Its equipment was in good condition. Although its depreciation reserve was inadequate according to PUC computations, and the cost to replace equipment at 1953 prices was more than would be recovered through depreciation of the existing equipment, the company, was, at the end of 1952, certainly not at a dangerous point financially. To a great extent, new equipment could be financed through borrowed capital, if necessary, without impairing the ability of the company to render service.

Mr. President, I ask unanimous consent to have the remainder of that section of the report incorporated at this point in my remarks.

There being no objection, the remainder of the section of the report was ordered to be printed in the RECORD, as follows:

Although there was no impairment of capital in this specific instance, all things considered, it would be prudent to give the Public Utilities Commission the authority to regulate the dividend policies of the utility companies. The power to prescribe accounting procedure and to require adequate depreciation reserves is not enough to protect the public interest against irresponsible management. The commission should be empowered to enforce its judgment with respect to dividend policies, taking into consideration long-range planning for extension and improvement of service and probable capital requirements in the light of increased costs, neither of which is a matter of historical accounting.

For the 4 full years of Wolfson control (1950 through 1953), cash dividends amounted to $29 per share on the 240,000 shares of stock outstanding before the 4-for-1 split. This is an average annual dividend rate of $7.25, or a return of 36¼ percent each year on the $20 per share cost to the Wolfson group. It is an average annual dividend rate of over 10 percent on the highest market value that the stock ever reached during those 4 years. It is an average annual dividend rate of over 9 percent on the present par value of the stock. The subcommittee notes that the dividend rate paid by the Wolfson group is in excess of the maximum rate of return sanctioned by the Public Utilities Commission to be earned on invested capital.

By this dividend action, the Wolfson management has effectively dissipated a substantial part of the surplus built up by the company during the years prior to Wolfson control, without regard for the fact that this surplus emanated from the pockets of the transit riders. Mr. Wolfson stated before this subcommittee that, that—"* * * we didn't go into this company to distribute this cash surplus * * *." (Transcript, p. 311.)

Mr. Wolfson himself asked at this same hearing, "What are you going to do with stockholders who paid $132 for the stock?" We think that this has little bearing on the problem. First, such stockholders constitute a small minority of the investors in Capital Transit, and, second, their loss was sustained many years ago. The subcommittee cannot advocate or even condone a procedure whereby the transit riders are forced to subsidize those individuals who make a poor investment.

This subcommittee can view the recent dividend policy of Capital Transit Co. under the Wolfson management only as a course of action wholly inconsiderate of the public interest, wholly inconsistent with the philosophy of fair and reasonable return to the owners of a regulated utility, and wholly inconsistent with the stated intentions of representatives of the Wolfson group before the ICC.

The subcommittee, therefore, deems imperative the early passage of S. 1403, to authorize the Public Utilities Commission of the District of Columbia to regulate and condition the declaration and payment of dividends by public utilities in the District of Columbia, which bill is patterned after similar provisions of the Illinois code.

Mr. MORSE. Mr. President, I point out that there is great danger of financial difficulty if we continue to allow this company to go ahead with the dividend policy it has followed from 1949 to 1952. I think the time has come for a little blunt talk. I think we may as well face the facts, Mr. President——

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

Mr. MORSE. I yield.

Mr. WILLIAMS. The Senator from Oregon and his subcommittee is to be commended for calling the matter to the attention of the Congress at the time it did, and I agree fully with the Senator's statement here today. From the very beginning it has been evident that the Wolfson management did not take over the company to make a reasonable profit or to render a public service, but with the sole thought of milking the company and then unloading it on the United States Government.

Mr. MORSE. The Senator from Delaware is just as blunt as I was about to be, and now I am going to reinforce his bluntness.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. MARTIN of Pennsylvania. Is there any provision in the law or the regulations governing this utility with reference to dividends?

Mr. MORSE. I would say to the Senator from Pennsylvania that there is no question about the fact that the company has acted within the technical provisions of the law. We found in our hearings last year that there were no violations of the law, but we certainly found plenty of deviations from what the Senator from Delaware has alluded to, namely, a very high conscientious appreciation of the responsibility of the company to provide adequate service. No company can follow the financial policies which the Capital Transit Co. has been following and give to the District the service to which the people are entitled, and no company can follow the financial policies followed by the Capital Transit Co. and not get into the kind of labor dispute in which the company is now involved. I do not think Congress should stand by and let this company get by with this course of action.

Mr. MARTIN of Pennsylvania. In many States, and particularly in my own State of Pennsylvania, when a utility has depleted its liquid assets to the point of not giving proper service, the public utility commission steps in and prevents the paying of dividends, because the first duty, of course, of a public utility is to its various customers. I wondered whether there was any provision in our law or regulations relative to the paying of dividends.

Mr. MORSE. We comprehended that situation last year and urged upon the Capital Transit Co. that it avoid the melon-splitting dividend-paying policy. The matter eventually got into the courts, and an order was finally handed down that the company would have to pay a reduced dividend, not the dividend it originally contemplated paying. But it still paid a dividend far above and beyond the dividend which was paid under the old management, prior to 1949.

Mr. President, let me point out to the Senate what we said in our report. My friend from Maryland [Mr. BEALL] has suggested that I read it into the RECORD, because it bears upon what the Senator from Pennsylvania and the Senator from Delaware have mentioned:

By this dividend action, the Wolfson management has effectively dissipated a substantial part of the surplus built up by the company during the years prior to Wolfson's control, without regard for the fact that this surplus emanated from the pockets of the transit riders. Mr. Wolfson stated before this subcommittee that "we didn't go into this company to distribute this cash surplus."

Where did the surplus come from? It came out of the fares of the mass transportation riders in the District of Columbia.

Mr. Wolfson stated before the subcommittee:

We didn't go into this company to distribute this cash surplus.

But the committee said in its report:

Mr. Wolfson himself asked at this same hearing, "What are you going to do with stockholders who paid $132 for the stock?" We think that this has little bearing on the problem. First, such stockholders constitute a small minority of the investors in Capital Transit; and, second, their loss was sustained many years ago. The subcommittee cannot advocate, or even condone, a procedure whereby the transit riders are forced to subsidize those individuals who make a poor investment.

This subcommittee can view the recent dividend policy of Capital Transit Co. under the Wolfson management only as a course of action wholly inconsiderate of the public interest, wholly inconsistent with the philosophy of fair and reasonable return to the owners of a regulated utility, and wholly inconsistent with the stated intentions of representatives of the Wolfson group before the ICC.

The subcommittee, therefore, deem imperative the early passage of S. 1403, to authorize the Public Utilities Commission of the District of Columbia to regulate and condition the declaration and payment of dividends by public utilities in the District of Columbia, which bill is patterned after similar provisions of the Illinois Code.

Mr. President, as the record shows, we succeeded in getting consideration of that kind of legislation.

I wish to say at this point, and it has been very effectively implied in the remarks of both the Senator from Pennsylvania and the Senator from Delaware,

that we might as well face what has happened.

Here is a group of investors and they are smart. They know how to carry on their manipulations within the technicalities of the law. They saw in the District of Columbia a transit company which was a nice, big, ripe financial melon on the vine, ready to be cut. They came to Washington. I say now what I said in the committee last year, that I think the Interstate Commerce Commission has much to answer for in this situation, because it did not give the transaction the once over it should have given it. It did not go into it with the thoroughness which we have a right to expect from the Interstate Commerce Commission.

The Interstate Commerce Commission very carelessly, I think, let this transaction slip by. They let the Wolfson group get into pick this melon. What the Wolfson group did was to gain control and then to declare increased cash dividends and also to issue stock dividends. They split the stock, and they cut up the melon to the tune of $6 million, as the committee report demonstrates. Under the law, nothing could be done about the situation at that point.

Hindsight now shows that Congress has been a little derelict in years gone by in letting the situation develop as it has. But I am convinced, after having listened to the witnesses for the management last year, and again this year, that the primary concern of the Wolfson group never has been to give the city of Washington efficient transportation service. Their main objective since coming here has been to milk out of the system every bit of financial cream they could get, and then to turn the skim milk over to the District.

Mr. President, when I get into a fight like this, I fight. When I am satisfied that the public interest is being economically raped—and that is what has happened in this case—I think Congress had better get into action and protect the people of the District.

I intended to make a suggestion later in my speech, but I think the remarks of the senior Senator from Pennsylvania [Mr. MARTIN] and the senior Senator from Delaware [Mr. WILLIAMS] make it very proper at this time. I believe the time has come for Congress to get busy on the matter and to protect the people of the District of Columbia—the taxpayers, the business men, the Government workers who are dependent upon the transportation system, and the Government of the United States itself.

I would have the management of the Capital Transit Co. recognize and remember that they function and operate under a privilege granted to them by Congress. I think the time has come when that privilege should be taken away from the Capital Transit Co. I mean it. I think the time has come to introduce proposed legislation to that effect and I intend to do so. I shall have prepared for introduction within the next few days a bill to lift the franchise of the Capital Transit Co.

I have no intention of sitting by and letting these so-called financial wizards, which is what they like to consider themselves, including Mr. Wolfson, go around the country trying to give the impression that they are great financiers, motivated by the most considerate interests of the private enterprise system. Wolfson got for himself a lot of publicity recently by his struggle to obtain control of Montgomery Ward.

I am satisfied that in the Capital Transit matter he seems to think he is bigger than Congress. I am for cutting Wolfson down to size. I am for making clear to Wolfson that he is not going to pull the wool over the eyes of Congress. I am for lifting the franchise of the Capital Transit Co.

I call the attention of Mr. Wolfson and of the management of Capital Transit Co. to the fact that they received their privilege to operate under a franchise granted by an act of Congress dated January 14, 1933, which involves the whole matter of authorizing the merger of street railway corporations operating in the District of Columbia, and for other purposes—Forty-seventh United States Statutes at Large, page 752, chapter 10.

I call Brother Wolfson's attention to section 13 of that law, which makes it possible for him to enjoy a franchise in the District of Columbia, and which reads as follows:

> That Congress reserves the right to alter, amend, or repeal this resolution, or any charter or certificate of incorporation made thereunder, and any and all rights of franchise created by this resolution shall terminate 1 year following its repeal.

Mr. President, do you know what I think Congress should do? I think it should enact legislation which will lift the franchise by giving a year's notice. Let me say that if any Senator has any doubt whether we shall be at the mercy of Mr. Wolfson for a year, we shall not be. There are numerous legal safeguards which will protect the public during that year, while the franchise is coming to an end.

What we shall be up against if we do not adopt this kind of action will be a management which will be moving from crisis to crisis, such as the present one, until finally everyone will have become exasperated and exhausted and will have lost his patience. Then, finally, some kind of legislation will be passed which will take over the system from the Wolfson syndicate, but by paying what? If that kind of situation develops, let me, as a lawyer, tell Senators that the stock will have to be paid for at its face value.

I do not intend to let a bunch of sharpsters follow a course of action which will get Congress into such a position that finally there will have to be public ownership of the transit system by taking it from the Wolfson syndicate.

I am for meeting the situation head on. I am for passing legislation which will say to Brother Wolfson, "We are going to lift your franchise, because we think your entire conduct has clearly demonstrated very bad faith on your part. You have come here as a sort of economic carpetbagger, wanting to milk the system. We do not intend to let you get by with it and then be called upon to pay 100 cents on the dollar for the value of your stock. Either you will give service, or else you will not function at all under a franchise in the District of Columbia."

That is tough, but I mean it to be tough, because when we are up against the kind of proposal which we face in this situation, I think we have a clear duty to proceed to do whatever is necessary to protect the public interest.

I am fed up with a group of slickers who take the position that they are acting within the law, and who say, "We do not have any money now; we must have a rate increase if we are going to pay any of the demands of the union."

I take the position, of course, that legislation can be passed which will provide certain financial exemptions. I want to be fair to this company or to any other company in regard to its financial structure. I am perfectly aware of the fact—and I wish to emphasize this to the Senate—that the mass transportation business in this country is a declining business. I would not buy a dollar's worth of stock in a transit company at present, as a general proposition, because the record before the committee shows quite clearly that, by and large, the mass-transportation business in the United States is not very much of a paying business at present. So my sympathies are with any management which is acting in good faith.

But we have a right to receive from the Capital Transit Co. good faith in response to the attempts by Congress to work out an equitable solution of their financial difficulties. If any committee ever sat down with management and tried to work in good faith with management, it was the Committee on the District of Columbia, under the able leadership of the junior Senator from Maine [Mr. PAYNE] and the junior Senator from Maryland [Mr. BEALL], last year, when we tried to find some solution for what we knew were forthcoming Capital Transit problems, such as the one now confronting us.

But I am fed up. A time comes when one is perfectly satisfied that the fellow seated across the table from him will pick his pockets if he does not keep his hands in his pockets. The time has come to provide protection against that kind of pickpocket. So I think the way to stop the Capital Transit Co. from picking the pockets of the riders of the mass-transportation system in Washington, D. C., is simply to lift the company's franchise.

Someone may ask if, indirectly, we are attempting to have Government ownership of the system; because when one is a liberal, there is always an attempt to smear him with the representation that he is for Government ownership. I am against Government ownership of anything in this country which can be operated by private enterprise. I am for working out a program under which the Government will assist private enterprise when assistance is needed.

Lifting the franchise does not mean Government ownership; lifting the franchise simply means that we deny to the Capital Transit Co. the right, after 1 year, to serve the people of the District of Columbia any longer. Then we will make a franchise available to some other company.

I will bet you, Mr. President—I am speaking colloquially now—that there are numerous companies which would be willing to come into the District of Columbia and negotiate a fair franchise arrangement with us, one which would have as its motivating design the serving of the people of the District with adequate transportation.

I have come to the conclusion, I regret to have to say—but the Capital Transit management has made the record; I have not—that the Wolfson syndicate never had as its primary purpose the supplying of efficient transportation service to the District of Columbia. Their primary objective was to come here and simply milk the system.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CASE of New Jersey. Mr. President, as a new member of the District of Columbia Committee, I do not have the experience which the Senator from Oregon has had on the committee and in other positions in this body, nor the experience which the Senator from Maine [Mr. PAYNE] or the Senator from Maryland [Mr. BEALL] have had. Yet in the brief time I have served on the committee, I have come to have an enormous respect for the fairness and objectivity which they have displayed. In my connection with the subject of this debate, I have come to feel that their judgments are right, and that we are not dealing with the kind of utility management which exists, for example, in my State.

Mr. MORSE. Or in my State.

Mr. CASE of New Jersey. I am satisfied that statement applies to any State or to any large city in this country. Instead I believe that the management has a cold, calculating view that here is something they can do, and that no one can stop them from doing it, that they have us by the throat, that they are going to operate the transit system as they wish to, until the time when the people no longer will tolerate the situation and will demand that Congress provide for public ownership of the company, and that then its present owners will be able to sell the company at a going rate value which will return to them many times the amount of profits which they have already received.

So I wish to associate myself completely with the sentiments expressed by the Senator from Oregon, making it very clear to the people of the District of Columbia, and to the management and the workers of this company that public ownership is not the only alternative, and that the suggestion which the Senator from Oregon has made is a reasonable one. It is not only one which I think the Congress should adopt, but is one which I am convinced Congress will adopt if the situation is not immediately changed.

Therefore, the announcement of the Senator of his own intentions is a most timely one, which I am confident that even the persons who are desirous of making the last nickel out of the situation will not fail to realize puts them in such a position that, as responsible and reasonable men, they should see the light and adopt a course which will be in their own interest.

Mr. MORSE. I appreciate very much the statement which the Senator from New Jersey has made. He has worked with us on the committee. He has asked some very, very penetrating questions at our hearings. The Senator from New Jersey has demonstrated that he wants first the facts, and that he is interested in getting the facts first. Then, when he got the facts, he reached the conclusion to which the facts inevitably led him.

Mr. President, I would we could work out an arrangement short of the drastic arrangement which I think is going to be necessary, but I certainly believe that it is our primary duty to protect the District and the people of the District of Columbia. That is why when we have a management which has made the record the present management of the Capital Transit Co. has made, and is taking the adamant position it has taken, the time has come to lift its franchise.

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

Mr. MORSE. I yield to the Senator from Maine.

Mr. PAYNE. I should like to ask the Senator from Oregon if he remembers that during the time witnesses for the company were under oath, one of them—I cannot remember whether it was Mr. Wolfson or not, but I am pretty positive it was—when questioned about the reason why he stepped into an operation of this type, never having had experience with a utility before, stated emphatically—I am not quoting his testimony verbatim, but as accurately as I can remember—"Gentlemen, had I known I was going to be under regulation in the operation of this company, I never would have been interested in buying into it?" Does the Senator recall that?

Mr. MORSE. I remember that very well, and I also recall, as the record will show, that Mr. Wolfson made it very clear that he was aware of the fact that the company was a very rich financial opportunity, and he took adavntage of it.

Mr. PAYNE. It developed during the course of the testimony, did it not, that the new owners were very well aware of the fact that the company possessed a substantial free surplus, which apparently persons within the District of Columbia did not bother to notice, but which was lying there, ready to be cut up into a melon, if anyone wished to do that, instead of plowing the money back into the operation of the system, and building up a fund for a rainy day which might come?

Mr. MORSE. The Senator is right. The testimony of the management was that they recognized the company as a great investment opportunity, and they came in and took advantage of it.

Mr. PAYNE. The Senator from Oregon spoke of good faith and a demonstration of good faith. Would the Senator agree that this is the time, above all other times, to show their good faith, if they so desire, by accepting voluntary arbitration, and sitting around the conference table with the employees, in order to try to work out a sound and reasonable plan, which can be accepted, and which will provide the people of the District of Columbia with the service which they need?

Mr. MORSE. The Senator is absolutely right.

Mr. President, I think I have made the record I wanted to make. I wish to put some supporting evidence into the RECORD at this point, and then let other Senators comment.

First I wish to conclude what I was saying about the statement of Mr. Spencer this morning. The Commissioner said he met with representatives of management yesterday and pointed out that Congress had pending before it the school fare and gross receipts tax, and urged upon the company an offer to the union that if the strike was postponed, management would agree to take whatever income would accrue as a result of the passage of those two pieces of legislation and use that money as the economic coin, so to speak, for carrying on their negotiations with the union in connection with the union demand.

It developed immediately that Mr. Broadwater, president of the company, and Mr. Spencer had some difference of opinion as to what was said at the meeting and what understanding, if any, was reached. Mr. Broadwater read a statement to us in committee this morning to the effect that they would agree to take any income received as a result of the passage of the two pending pieces of legislation, if they should be passed, and make that money available to the union as the complete settlement of any economic demand by the union. He was very careful to make it clear that that should be limited to the application of the wage demands, and that other matters, such as health and welfare and pensions, were to go by the board.

I could not believe my ears. I had sat in too many labor disputes to believe that such an employer attitude existed. That attitude really passed out of existence in most American industries as early as 1910. To think that any union would be sucked into that kind of offer—that the employees would be limited to the income which resulted from the enactment of two pieces of legislation, and they would automatically be estopped from seeking to negotiate further with respect to the other issues in the contract—was unbelievable to me.

Mr. Spencer was careful to make it very clear that the proposal of the Commissioners was not based on any such stipulation as Mr. Broadwater sought to read into the recommendations of the Commissioners yesterday.

When I saw that performance before the committee this morning, I became confirmed in my judgment that the thing is hopeless so far as concerns the management's trying to act in good faith.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CASE of New Jersey. It seems to me that the statement of Mr. Broadwater was very significant. It was my impression, and I ask the Senator whether or not he confirms that impression, that the offer was not put forth as an element in a bargaining process, but the president of the company really

meant what he said, and that this was it, and that was all?

Mr. MORSE. There is no question about it; "this is it; take it or leave it; otherwise we will throw the whole community into economic prostration."

Mr. CASE of New Jersey. I do not blame someone for offering less than he would be willing to agree to, but there was no question in my mind that the offer was not of a negotiating kind.

Mr. MORSE. The Senator is absolutely correct.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter dated June 27, which the committee addressed to Mr. Broadwater, president of the Capital Transit Co., and a letter of the same date which the committee addressed to Mr. Bierwagen, president of the union.

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

JUNE 27, 1955.

Mr. J. A. B. BROADWATER,
President, Capital Transit Co.,
Washington, D. C.

DEAR MR. BROADWATER: The Senate Committee on the District of Columbia, meeting in open session, today unanimously voted to address a letter to the Capital Transit Co. in reference to the threat to transportation services growing out of the current labor dispute.

It is the feeling of the committee that the issues between the Capital Transit Co. and its employees should be settled short of a strike and a lockout, including a consideration of the desirability of arbitrating the differences, to avoid interruption of transportation services.

The committee has addressed a communication to the Board of Commissioners, a copy of which is enclosed, offering its services if they should be considered necessary. A letter similar to this communication is being sent to the union.

We should be glad to hear from you relative to this matter at your earliest conenience and receive any suggestion that you may care to make in behalf of a prompt and amicable adjustment of the pending dispute.

With the best of wishes and the kindest of regards, I am, always,

Faithfully yours,

JUNE 27, 1955.

Mr. WALTER J. BIERWAGEN,
President, Division 689, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, Washington, D. C.

DEAR MR. BIERWAGEN: The Senate Committee on the District of Columbia, meeting in open session, today unanimously voted to address a letter to Division 689, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, in reference to the threat to transportation services growing out of the current labor dispute.

It is the feeling of the Committee that the issues between the Capital Transit Co. and its employees should be settled short of a strike and a lockout, including a consideration of the desirability of arbitrating the differences, to avoid interruption of transportation services.

The Committee has addressed a communication to the Board of Commissioners, a copy of which is enclosed, offering its services if they should be considered necessary. A letter similar to this communication is being sent to the Capital Transit Co.

We should be glad to hear from you relative to this matter at your earliest convenience and receive any suggestion that you may care to make in behalf of a prompt and amicable adjustment of the pending dispute.

With the best of wishes and the kindest of regards, I am, always,

Faithfully yours,

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point the reply which the committee received from the President of the Capital Transit Co., dated June 29, 1955, and the reply received from Mr. Bierwagen, dated June 29.

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

CAPITAL TRANSIT CO.,
Washington, D. C., June 29, 1955.

The Honorable MATTHEW M. NEELY,
Chairman, Committee on the District of Columbia,
United States Senate,
Washington, D. C.

DEAR SENATOR NEELY: I am in receipt of your letter of June 28 regarding the present serious situation of Capital Transit's labor negotiations and the possibility of a strike of our union employees, disrupting streetcar and bus service.

The problem has been of interest and conscientious concern to us for some time. As a matter of fact, it has been a problem to which we have been trying to find the solution since early this year. We endeavored to exercise some foresight to avoid the very critical stage in which the negotiations now stand.

We do not want a strike. We see no need for a strike. There need be no strike. The charge that the company welcomes a strike is without foundation. A strike can only result in needless physical inconveniences and irrecoverable economic losses to the community, the employees and the company.

In the early part of last January, in anticipation of the present events and circumstances, officials of Capital Transit Co. went to the Public Utilities Commission and stated we were coming before the Public Utilities Commission for an adjustment in our rate structure. Corporate-wise, at that time, and prior to that time, we were not earning a fair return on the transit property inasmuch as in our previous rate case the Public Utilities Commission elected to place in effect a rate structure which produced only about half the revenue which the Commission stated it would produce. The chairman of the Public Utilities Commission stated publicly that the new rate had failed. We were in need of a raise for corporate purposes but we were realistic enough to appreciate the fact that our labor contract would run out at the end of June and that our employees, as they had always done in the past, would be insisting, among other things, upon an adjustment in their hourly rate. We could foresee nothing would be available and we pointed out as persuasively as possible that positive action should be taken. This was brought to the attention of the full Public Utilities Commission body. In short their reply was that the time was not propitious for an application and that they would not expedite it. They suggested the fall would be a more likely time.

The matter was then taken up at our next board of directors meeting and after a full discussion, a special committee of the board visited the Public Utilities Commission to discuss the matter. The special committee met with the Public Utilities Commission early in March. On this occasion, as on the previous occasion, the Public Utilities Commission stated they felt an elimination of the gross earnings taxes of Capital Transit Co. was possible and that the so-called school fare bill would be favorably received by Congress, and therefore it still was not a propitious time to apply for an increase.

The history of the Public Utilities Commission's recommendation as to the elimination of the gross earnings taxes is a matter of record.

As to the school-fare bill, you know what happened to it. On the Senate side the provision for Public Utilities Commission authority over school fares got complicated with other matters within an omnibus bill and only got as far as the Senate calendar when it was recalled for further study by a member of your committee. On the House side, the school fare bill was promptly passed but when it got over to the Senate side it was referred to your committee and then to a subcommittee. There the matter stands.

In the meantime, June was getting closer and closer and our concern became greater and greater. Our responsibilities to the community, the people who have invested in Capital Transit and our employees became more pressing and immediate. Still we did not want to leave any stone unturned in an effort to place ourselves in a position that would possibly prevent a shutdown of our facilities. Again, a special committee of the board of directors called upon the Public Utilities Commission in early May and together with officials of the company restated our fears that unless we obtained prompt financial relief there was grave danger of a strike. This meeting, too, led to the same answer, that the Public Utilities Commission could not provide any immediate financial relief. The time had then passed when any partial relief could alleviate our financial situation. We were face to face with a dire corporate need for action. We had to finally take the step that resulted in our present petition on June 6. There still was some hope of persuading the union that it should defer any strike action until after the Public Utilities Commission had acted on our petition.

We suggested to the Public Utilities Commission that the proposed rates be allowed to become effective immediately and hold public hearings at a later date. If an increase was not merited in subsequent experience the fare could be adjusted downward. Our counsel stated this was legal and possible. The management considered it logical and reasonable and a possible means of forestalling a strike. It is now a matter of record as to what occurred.

All of the above is water under the bridge. We do not intend to be critical and we appreciate hindsight is better than foresight. We merely cite the facts as a means of setting forth our concern over the matter and of our efforts to avoid the present situation.

However, we are now at where we are, and events and circumstances must be resolved under present conditions if the community, the company, and the employees are not to suffer. We do not quarrel with the desire of our employees for more wages, better pensions and more health and welfare benefits. It is only natural for them to want more money and other benefits for themselves and their families. Improvements would make them happier and management's job would be easier. We are not oversimplifying the matter, however, when we state we can give them nothing because we have nothing to give. We have to get the money from somewhere before we can give it to them. In the process, however, we cannot ignore our corporate needs or the return to which we are entitled under the law if the transit company is to remain under private ownership.

The problem as of today, as we see it, can be solved very simply by taking the following steps:

1. The union to agree to continue working with no change in the present contract for a period of 6 months. They can lose nothing by this. Certainly it would take weeks or

months to recover economically from a strike if only of a short duration.

2. The Senate immediately pass the House school fare bill, H. R. 3908.

3. Congress immediately pass enabling legislation to provide relief from the gross-earnings tax.

4. The Public Utilities Commission within the next month pass favorably on our present petition and on the passing of the school fare bill, additionally and immediately fix the school fare at half the cash fare. Inasmuch as school is now closed for the summer, the financial effect of this would not show itself until the fall.

5. Congress relieve the company of its financial responsibilities with respect to street paving, now generally worn out by traffic other than transit, and snow-removal costs.

6. Relieve the company of the costs of public hearings other than its own costs.

If these events occur quickly in sequence, we would then be able to experience the practical results of the additional revenues and be in a position to renegotiate with the union about December 1 on a basis that would be realistic. However, this should not be considered as a blank check for the union, but only as an opportunity that would provide them with some reasonable degree of obtaining betterments should the revenues warrant it.

May I repeat, Senator, that our only source of revenue is the fare box. There is insufficient now coming in from that source to consider an adjustment for our employees. Any adjustment that can be made in the future must come from the transit rider under present circumstances. It is as uncomplicated as that.

As to arbitration of the dispute, we have long and carefully considered the desirability of such a step. However, it is our considered judgment that management cannot wisely delegate to a third party the future contractual obligations which must be paid for by the transit rider, and which could prove financially disastrous to this company.

I trust that I have not been too lengthy in this letter, but I feel so concerned I had to recite the sequence of events in the hope that you would have a clearer picture of where we stand today.

A strike would be deplorable. I trust you will use your good offices and the prestige and influence of your committee to bring about a solution as suggested above.

Sincerely yours,

J. A. B. BROADWATER,
President.

NATIONAL CAPITAL LOCAL DIVISION 689,
June 29, 1955.

The Honorable MATTHEW M. NEELY,
United States Senate,
Washington, D. C.

DEAR SENATOR NEELY: This will acknowledge your letter of June 27, expressing the concern of the Senate committee over the deadlocked negotiations between the owners and the employees of Capital Transit Co.

We are entirely in accord with your suggestion concerning arbitration. We have repeatedly proposed peaceful arbitration to the company as required by our contract.

Since receiving your letter, we have even gone further. Our executive board has unanimously voted to postpone any action on the employees' proposals for 30 days if Capital Transit will agree now in writing that any issues not settled within the 30-day period shall be referred to peaceful arbitration under terms of our agreement and further that the eventual settlement or award shall be retroactive to July 1.

As you know, we have been dealing with absentee owners who live far from the District and whom I believe do not realize the full import of their adamant refusal to negotiate or to submit the issues to peaceful arbitration.

Members of your committee are fully acquainted with the obligations imposed on management and the employees under the terms of the arbitration clause in the Capital Transit contract.

The employees are ready, willing, and able to accept this obligation to arbitrate under the terms of the contract.

May I take this opportunity to state that the employees indignantly reject the company suggestion that school-bus fares must be raised in order that the men receive fair treatment.

We respectfully point out that the company's proposal to increase school bus fares will raise something less than $300,000—less than 60 percent of the amount the Wolfson interests will receive in dividends from Capital Transit this year. Capital Transit currently is paying the Wolfsons a 24 percent annual return on their original $2 million investment.

With all its alleged financial difficulties, Capital Transit Co. seems to have no trouble at all in paying such generous dividends.

Between 1949 and 1954 the Wolfsons have made 325 percent on their original investment. This year's dividend will bring their take to 349 percent—a total of $7 million.

You have asked for our suggestion as to how this dispute could be settled without interruption of bus and streetcar service. The only fair method we know is submitting the facts to a board of arbitration, as the agreement requires, and letting the board decide the issues on their merits. We believe arbitration is fair to the public, to the company, and to the men.

Respectfully yours,

WALTER J. BIERWAGEN,
President, Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, A. F. L.

Mr. MORSE. Mr. President, I conclude by discussing one other phase of the case, to which the Senator from Maine, the Senator from Maryland, and other Members have already referred.

As the Senator from Maine has pointed out, last year we tried to get the parties to enter into an agreement for voluntary arbitration over and above the arbitration of grievances. In the present contract there is a section providing for voluntary arbitration of grievances, and machinery is set up for determining how the arbitrators shall be selected and how the so-called grievances shall be submitted to arbitration during the life of the contract.

The public has become confused over the arbitration matter, Mr. President. In some of its literature, the union has given the public the impression that the company has agreed to arbitration. But, Mr. President, the company has not agreed to arbitration of disputes over wages, hours, and the conditions of employment which are to govern under a new contract. The company has agreed only to the arbitration of grievances existing during the consideration of the proposed new contract—in short, to arbitration of disputes over the conditions existing at that time, which is very different from agreeing to voluntary arbitration of disputes over the conditions under the new contract.

As to arbitration, Mr. President, let me make clear that I have always opposed, and will continue to oppose, compulsory arbitration, because under compulsory arbitration, management, as well as labor, lose their economic freedom. There is no free collective bargaining around a collective bargaining table if both parties know that sooner or later one of them can force the other into compulsory arbitration, because then compulsory arbitration becomes a substitute for collective bargaining; and whichever side thinks it has the most to gain from collective bargaining will sit around the arbitration table with a stiff neck, and will say, "No, no, no, no," knowing that eventually it will be able to require the other party to submit to compulsory arbitration.

But, Mr. President, voluntary arbitration is a good test of the good faith of the parties to the dispute. I particularly recommend voluntary arbitration to the parties engaged in any so-called public-utility industry. I think the advantages to the public under such a situation are such that both management and labor have an obligation to enter into voluntary arbitration agreements of their own writing, not arbitration agreements imposed upon them by government.

In this case we are dealing with an adamant management—and I have seen many similar situations—which takes the position that arbitration will constitute an interference with the rights of management. Mr. President, as I pointed out to Mr. Broadwater, at the committee meeting this morning, I wish to say that the Railway Labor Act of 1926 really carries out the principle of voluntary arbitration, in that under that act the parties have a right to call for either the appointment of an arbitrator or the appointment of an emergency board. A Railway Emergency Board functions as sort of a quasi-arbitrary board. It makes only recommendations to the parties; it does not take from the labor group the right to strike, and it does not take from management the right to refuse to accept the decision of the Board. Under that act, we have not experienced from arbitration the disastrous results which management seemed to fear would come from it. We have not found such a situation to develop in the railway industry.

Furthermore, as I pointed out this morning to Mr. Broadwater, over the last 20 years in the United States, many streetcar strikes and disputes and many transportation disputes have been settled by arbitration.

Furthermore, the record will show that even after a strike occurred, a very, very large number of those disputes were settled by arbitration. So I would not be surprised—even though I recognize that prediction is a dangerous thing—to find that if a strike occurs tonight, even this strike may, in the last analysis, be settled by some form of arbitration.

So, Mr. President, it is perfectly silly and nonsensical for us to suffer the inconvenience and the loss which will result from a work stoppage tonight in the transportation industry in this area, if in the future we find that the dispute is settled by means of arbitration, although arbitration is not possible at this time merely because the management says, "We will not agree to arbitration; we

will not agree to have this dispute settled by a third party."

Mr. President, I am always amused by such statements, as I was this morning when I listened to Mr. Broadwater speak of his obligations to the stockholders and to protecting the financial interests of the company from a decision by a third party which does not have the responsibility of management. That is an attack upon the whole judicial process, Mr. President. When we think of the economic interests which go through the court system of our Nation and have their problems adjudged by judicial minds, for the protection of the public interest, then it is clear that Mr. Broadwater should recognize that even in private disputes, such as this one, which at this stage, at least, are not subject to being submitted to a court, the parties at least owe it to the public interest to submit the dispute to consideration by a judicial mind, for a determination of their relative interests in the dispute.

So, Mr. President, I am keenly disappointed that in this case the management simply says, "We are not going to accept arbitration." But let the record be perfectly clear that the union has accepted arbitration.

Mr. President, I hold no brief for the union which is involved in this case. I know nothing about the merits of the demands of the union in this case. I have not studied the union's economic demands, and I do not know whether the union is entitled to a wage increase in the amount of even 1 cent. But based upon experience with matters going on about us each day, I do know that at the present time in the United States there seems to be general recognition on the part of industry that in the year 1955 labor is entitled to some economic improvements. I am perfectly willing to let those who study the evidence, after its submission, judge whether the union has any merits to its claims. But I do not think we should say to a company which is carrying on its business under a privilege which we, the Congress, have granted to it, "We are going to let you resort to jungle law for settlement of the dispute, because we are going to allow you to act in a way which we believe is contrary to our conception of your duty to the public."

Mr. President, in essence, that is my position in connection with this matter. If a strike occurs at midnight, I wish to say that the major responsibility for it will rest upon an adamant management which has not fully appreciated its responsibility.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5560) relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

The message also announced that the House had passed a joint resolution (H. J. Res. 366) making temporary appropriations for the fiscal year 1956, providing for increased pay costs for the fiscal year 1955, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

S. 1718. An act to provide certain clarifying and technical amendments to the Reserve Officer Personnel Act of 1954;

S. 2266. An act to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956;

H. R. 619. An act to provide that all United States currency shall bear the inscription "In God We Trust";

H. R. 4853. An act to authorize the sale of certain land in Alaska to the Pacific Northern Timber Co.;

H. R. 5560. An act relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes;

H. R. 6239. An act 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;

H. R. 6367. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes;

H. R. 6795. An act 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;

H. R. 6992. An act to extend for 1 year the existing temporary increase in the public debt limit; and

H. J. Res. 365. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1955.

HOUSE JOINT RESOLUTIONS REFERRED

The following joint resolutions were each read twice by their titles, and referred, as indicated:

H. J. Res. 359. Joint resolution to authorize the designation of October 22, 1955, as National Olympic Day; to the Committee on the Judiciary.

H. J. Res. 366. Joint resolution making temporary appropriations for the fiscal year 1956, providing for increased pay costs for the fiscal year 1955, and for other purposes; to the Committee on Appropriations.

STATUS OF APPROPRIATION BILLS

Mr. JOHNSON of Texas subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD immediately preceding action on the joint resolution, House Joint Resolution 366, presented by the Senator from Arizona [Mr. HAYDEN], a statement showing the status of appropriation bills for the first session of the 84th Congress.

Mr. KNOWLAND. Mr. President, reserving the right to object, and I shall not object, because I wish to commend the distinguished chairman of the Appropriations Committee [Mr. HAYDEN] for the very excellent job which has been done on the appropriation bills this year, and to commend the distinguished ranking minority member of that committee [Mr. BRIDGES], who was chairman of the committee last year. My recollection is that last year all appropriation bills, except final supplemental bills, were passed by the end of the fiscal year. I also wish to commend the other body for getting the appropriation bills to us, and the very efficient work which the Senate Committee on Appropriations has done under the chairmanships of both the Senator from Arizona and the Senator from New Hampshire.

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

Status of appropriation bills, 1st sess., 84th Cong.

Number of bill	Short title	Passed House	Received and referred in Senate	Reported in Senate	Passed Senate	Sent to conference	Conference report agreed to in—		Date approved	Number of law
							Senate	House		
H. R. 2091	Urgent Deficiency, 1955	Jan. 13	Jan. 14	Jan. 17	Jan. 18	x x x	x x x	x x x	Jan. 25	3
H. J. Res. 252	Additional Justice, 1955	Mar. 14	Mar. 14	Mar. 15	Mar. 16	x x x	x x x	x x x	Mar. 21	13
H. R. 4876	Treasury, Post Office, 1956	Mar. 15	Mar. 16	Apr. 12	Apr. 13	Apr. 19	May 20	May 23	June 1	51
H. R. 5046	Labor, Health, Education and Welfare, 1956	Mar. 21	Mar. 22	June 2	June 6	June 22				
H. R. 4903	Second Supplemental, 1955	Mar. 18	Mar. 22	Apr. 13	Apr. 14	Apr. 18	Apr. 20	Apr. 20	Apr. 22	24
H. R. 5085	Interior, 1956	Mar. 24	Mar. 25	May 2	May 5	May 9	June 8	June 8	June 16	78
H. R. 5239	Agriculture, 1956	Mar. 28	Mar. 30	Apr. 21	Apr. 26	May 2	May 17	May 17	May 23	40
H. R. 5240	Independent Offices, 1956	Mar. 30	Apr. 1	June 2	June 6	June 16	June 23	June 22	June 30	112
H. R. 5502	State, Justice, Judiciary, 1956	Apr. 14	Apr. 18	May 26	May 31	June 23				
H. R. 6042	Department of Defense, 1956	May 12	May 13	June 14	June 20	June 21	June 30	June 30		
H. J. Res. 310	Second Deficiency, 1955	May 19	May 20	May 23	May 25	x x x	x x x	x x x	May 27	48
H. R. 6239	District of Columbia, 1956	May 19	May 20	June 22	June 23	June 27	June 30	June 30		
H. R. 6367	Commerce, 1956	May 24	May 25	June 10	June 16	June 27	June 29	June 29		
H. R. 6499	General Government Matters, 1956	June 1	June 2	June 17	June 21	June 22	June 23	June 23	June 29	110
H. R. 6766	Public Works, 1956	June 16	June 17							
H. J. Res. 366	Temporary, 1956	June 30	June 30	June 30	June 30	x x x	x x x	x x x		

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1956

Mr. JOHNSON of Texas. Mr. President, I understand that the House of Representatives has passed a joint resolution (H. J. Res. 366) extending the appropriations for certain of the Government departments.

As the Presiding Officer (Mr. McNAMARA in the chair) is aware, the Senate has acted upon every appropriation bill which has been sent to it, with the exception of the public works appropriation bill. The Senate Appropriations Committee has never had a finer record. I am informed that tomorrow, the distinguished chairman of the Appropriations Committee plans to report the public works appropriations bill. It is our hope that the Senate may take it up on Tuesday next, discuss it, and pass it at an early date. Thereafter there will be before the Senate the legislative appropriation bill, the supplemental appropriation bill, and the foreign aid appropriation bill.

However, in view of the fact that the House has passed House Joint Resolution 366, making temporary appropriations for the fiscal year 1956, I desire to have that measure considered by the Senate at this time.

There is no controversy over the joint resolution. I have conferred with the minority leader about it. The distinguished chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN], has discussed it with the ranking minority member of the committee [Mr. BRIDGES]; and the Senator from Arizona is prepared to ask for Senate action at this time on the joint resolution.

Mr. HAYDEN. Mr. President, from the Committee on Appropriations I report, without amendment, the joint resolution (H. J. Res. 366) making temporary appropriations for the fiscal year 1956, providing for increased pay costs for the fiscal year 1955, and for other purposes; and I request unanimous consent for the present consideration of the joint resolution.

Mr. President, let me say that when I received a copy of the joint resolution as reported, I referred it to the Director of the Bureau of the Budget. I now ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a letter I have received from the Director of the Bureau of the Budget, saying he has examined the joint resolution, and has no objection to it.

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

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET,
Washington, D. C., June 30, 1955.

Memorandum for: Hon. CARL HAYDEN, chairman, Senate Appropriations Committee.

Subject: Changes made by House Appropriations Committee in proposed method of providing for increased pay costs for fiscal year 1955.

The following is submitted in response to a telephone request from Mr. Everard Smith for a statement of the differences between title II of the joint resolution reported by the House Committee on Appropriations this morning and the submission of the President dated June 28, 1955 (H. Doc. No. 197):

1. The House committee amended the first paragraph by adding to the end thereof the following: "but no appropriation, fund, or authorization may be increased pursuant to the provisions of this title in an amount in excess of the cost to such appropriation, fund, or authorization of increased compensation pursuant to Public Laws 68 and 94, 84th Congress."

This amendment apparently is to make clearer that the indefinite appropriation is to be used for no purpose other than to meet 1955 pay increase costs. Since the proposal transmitted by the President contemplated use of the appropriation for no other purpose, this amendment will create no problems.

2. The House committee made no change in section 202.

3. The House committee amended the proviso in section 203 to require approval by the Director of the Bureau of the Budget of the transfers authorized by section 202, as well as the certifications required by section 203. In addition, the House committee changed the last part of the proviso to read "shall be valid only when approved by the Director of the Bureau of the Budget" instead of "shall be subject to the approval of the Director of the Bureau of the Budget." Neither of these amendments is objectionable.

4. Section 204 is included in the resolution exactly as proposed.

5. Section 205, which relates to the antideficiency law, is considerably briefer than the language proposed by the President. However, since the substance of the President's proposal is retained in the House committee version, the amendment is not objectionable.

6. The President proposed inclusion of a section which would have waived the requirement for reporting to the Congress those apportionments for the fiscal year 1956 which were approved on a deficiency basis solely on account of the pay increase costs for that year. This section was eliminated by the House committee. While it would have eliminated some paper work, its omission is acceptable.

7. The President also proposed inclusion of a section specifically waiving limitations on personal services to the extent necessary to permit payment in the fiscal year 1955 of the pay increases. This section was omitted from the joint resolution on the grounds that it is unnecessary. The House committee report states: "The language of the resolution is broad enough to permit payment of all amounts specifically due under these two laws for the fiscal year 1955"; and it is my understanding that the staff of the House committee intends to so advise the General Accounting Office. Under the circumstances, it is not believed that omission of the proposed section will create any problems.

8. In section 206 of the joint resolution the House committee made the following changes from the President's submission: In subsection (a) the words "made available" are substituted for the word "appropriated." In the proviso in subsection (b) the date August 31 was changed to August 15. In subsection (c) the dates September 30 and October 31 were changed to September 15 and October 15. None of the changes in this section are objectionable.

ROWLAND HUGHES,
Director.

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

There being no objection, the joint resolution (H. J. Res. 366) making temporary appropriations for the fiscal year 1956, providing for increased pay costs for the fiscal year 1955, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CHANGES IN REGULATION OF PUBLIC UTILITIES IN THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 184) to make certain changes in the regulation of public utilities in the District of Columbia, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 5, line 15, after the word "transit", strike out "engineer" and insert "coordinator"; in line 19, after the word "transit", strike out "engineer" and insert "expert"; on page 6, line 3, after the word "authorizer", strike out "and commissioners' salary increased" and insert "and clarification of provisions relating to commissioners' salary"; and in line 7, after the word "such", strike out "section is amended by deleting "$7,500" in the second sentence and inserting in lieu thereof "$13,000", and by" and insert "section is amended by deleting "at the rate of $7,500 per annum" in the second sentence and inserting in lieu thereof "to be fixed in accordance with the Classification Act of 1949, as amended", and by."

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

Be it enacted, etc., That this act may be cited as the "District of Columbia Public Utilities Regulation Act of 1955."

TITLE I—AMENDMENTS TO ACT CREATING PUBLIC UTILITIES COMMISSION

USE OF PUBLIC UTILITIES' DEPRECIATION FUNDS

SEC. 101. Paragraph 16 of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913, as amended, is amended to read as follows:

"PAR. 16. That every public utility shall make proper and adequate provision for depreciation. The Commission shall ascertain and determine what are the proper and adequate rates of depreciation for the various classes of property of each public utility. These rates shall be such as will provide the amounts required over and above the expense of maintenance to keep such property in a state of efficiency corresponding to the progress of the industry. Each public utility shall conform its depreciation accounts to such rates so ascertained and determined by the Commission. The Commission may make changes in such rates of depreciation from time to time as it may find to be necessary. The Commission shall also prescribe rules, regulations, and forms of accounts regarding such depreciation which the public utility is required to carry into effect. The Commission shall provide for such depreciation in fixing the rates, tolls, and charges to be paid by the public."

ELIMINATION OF FREE DISTRIBUTION OF COPIES OF HEARING TRANSCRIPTS

SEC. 102. Paragraph 53 of such section is amended by deleting the last sentence which reads as follows: "A copy of such transcript shall be furnished on demand, free of cost, to any party to such investigation."

ACQUISITION OF CONTROL OF PUBLIC UTILITIES

SEC. 103. Such section is amended by inserting after paragraph 54 the following new paragraph:

"PAR. 54A. (a) It shall be unlawful (1) unless approved by order of the Commission as provided in this paragraph for any person to acquire control in any manner whatsoever of any public utility subject to the provisions of this section, and (2) to maintain any such control established in violation of this paragraph. Any person seeking approval to acquire control of a public utility in accordance with this paragraph shall make application to the Commission, in such form as shall be required by the Commission. Upon receiving any such application the Commission shall determine, after public hearing with notice on such application, whether the acquisition of control by such person would be consistent with the public interest. If it finds that such acquisition is consistent with the public interest, the Commission shall by order approve such acquisition. In the administration of this paragraph the Commission shall give consideration to (1) the effect of such control on the management of the utility, its financial practices and policies, (2) the effect upon the public interest of a change in control of the utility, including the willingness of the management to recognize the paramount public interest in the exercise of a public franchise, (3) the experience of those seeking control in the particular type of utility operation, (4) the relationship of the person seeking control to associates in other businesses in the District of Columbia or elsewhere and his relationship to any other public utility operating in the metropolitan area, and (5) the effect upon the employees of the utility involved.

"(b) The Commission may establish such orders, rules, and regulations as may be necessary to provide for the enforcement of the provisions of this paragraph."

CHANGE OF COMMISSION'S ORDERS

SEC. 104. Paragraph 62 of such section is amended to read as follows:

"PAR. 62. The Commission may, at any time, upon notice to the public utility and after opportunity to be heard as provided in paragraph 40 of this section, rescind, alter, or amend any order fixing any rate or rates, tolls, charges, or schedules, or any other order made by the Commission, and fix the time or times thereafter when the newly prescribed rate or rates or any part of the newly prescribed rates shall be made effective, and certified copies of the same shall be served and take effect as herein provided for original orders."

REGULATION OF RATES

SEC. 105. Paragraph 94 of such section is amended to read as follows:

"PAR. 94. Any public utility desiring to advance or discontinue any established rate or rates may make application to the Commission in writing, stating the advance in or discontinuance of the rate or rates desired, giving the reasons for such advance or discontinuance. Upon receiving such application the Commission shall fix a time and place for hearing, and give such notice to the interested parties as shall be proper and reasonable. If after such hearing and investigation the Commission shall find that the change or discontinuance applied for is reasonable, fair, and just, it shall grant the application, either in whole or in part. Any public utility affected by any order of the Commission made under the provisions of this paragraph may commence a proceeding against it as provided in this section."

AUTHORIZATION OF TRANSIT COORDINATOR

SEC. 106. Such section is amended by inserting after paragraph 95 the following new paragraph:

"PAR. 95A. The Commission is authorized to employ a qualified transit expert for the purpose of making transit and traffic studies and surveys, advising and making recommendations to the Commission, and cooperating with other public officials, transit officials, and others, in matters dealing with transit and traffic problems, including use of streets and highways and highway and safety planning; cooperating with comparable groups in the metropolitan area of Washington, District of Columbia; and coordinating his studies and surveys with the activities of those groups."

SUBSTITUTE FOR ENGINEER COMMISSIONER AUTHORIZED AND CLARIFICATION OF PROVISIONS RELATING TO COMMISSIONERS' SALARY

SEC. 107. Subparagraph (a) of paragraph 97 of such section is amended by deleting "at the rate of $7,500 per annum" in the second sentence and inserting in lieu thereof "to be fixed in accordance with the Classification Act of 1949, as amended," and by inserting at the end of such subparagraph the following: "Wherever the term 'Engineer Commissioner of the District of Columbia' is used in this section, such term shall be deemed to mean either the Engineer Commissioner of the District of Columbia or such of the assistants to the Engineer Commissioner as the said Engineer Commissioner may designate, from time to time, to act in his place and stead in the consideration and disposition of any investigation, inquiry, hearing, or other matter within the powers of the Commission; and any of the assistants to the Engineer Commissioner so designated shall, with respect to the specific investigation, inquiry, hearing, or other matter he has been designated to consider and dispose of, be deemed to be a commissioner of the Public Utilities Commission."

TITLE II—TRANSPORTATION FARES FOR SCHOOLCHILDREN IN THE DISTRICT OF COLUMBIA

REGULATION PROVIDED FOR

SEC. 201. Notwithstanding the provisions of the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved January 14, 1933, and the provisions of the unification agreement incorporated therein, and notwithstanding the provisions of the act entitled "An act to provide for the transportation of schoolchildren in the District of Columbia at a reduced fare," approved February 25, 1931, the Public Utilities Commission of the District of Columbia shall fix the rate of fare for transportation by street railway and bus of schoolchildren going to and from public, parochial, or like schools in the District of Columbia at not more than one-half the cash fare established from time to time by the Public Utilities Commission for regular route transportation within the District of Columbia, and shall establish rules and regulations governing the use thereof. No fares for schoolchildren shall be available to persons over 18 years of age.

TITLE III—SEPARABILITY

SEC. 301. If any provision of this act, or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

THE DIXON-YATES CONTRACT

Mr. KNOWLAND. Mr. President, the Senator from Tennessee [Mr. KEFAUVER] stated that Mr. Adolphe H. Wenzell, a consultant to the Bureau of the Budget, may have violated section 434 of the Criminal Code.

Section 434 prohibits any person acting as an officer or an agent of the United States for the transaction of business with any business entity in which he is an officer or in which he is directly or indirectly interested in the profits.

I am advised that at no time did Mr. Wenzell act for the Bureau of the Budget or any other agency for the transaction of business with the First Boston Corp. or the Dixon-Yates interests. Mr. Wenzell's role at meetings which have been referred to was that of an observer. He was there in that capacity in order to familiarize himself with the details of the development of proposals which were then being considered for submission to the Government by outside interests, in order that he might later be able to advise as to whether any resulting proposals would be feasible and sound from a financial standpoint. Second, the First Boston Corp., of which Mr. Wenzell was an officer during the period when these meetings were held, did not profit directly or indirectly from any services it may have rendered in connection with the Dixon-Yates contract.

During the early period of the development of the idea for supplying the Government's power needs from private sources, many meetings were held with numerous persons both in and out of the Government. These meetings were attended by staffs of the Government agencies involved and the staffs of the private interests which were attempting to supply the Government's needs. At nearly all of these meetings there were persons present as observers who took no active part in the discussions. There is no significance whatever in the fact that Mr. Hughes was unable to recall that Mr. Paul Miller attended a meeting at the Bureau of the Budget on some particular date, or that he did not immediately recall having met Mr. Miller at all. It is not customary at larger meetings that all of the participants be directly introduced to all of the other participants, and frequently in these meetings they were identified merely as members of the staffs of either the Government or of the private interests concerned with the matters under consideration.

There appears to be a deliberate attempt to confuse the exact nature of the participation of Mr. Wenzell in this matter by giving the word "financing" a double meaning. The situation was simply this: Mr. Wenzell's advice was sought on the feasibility of financing a proposal along the lines of the one ultimately submitted by the Dixon-Yates group. Matters such as the proportion of equity to debt and the probable rate of interest on debt were clearly within his competence and it was on such matters that his advice was sought. It is important to note that the questions on these matters related to the feasibility of funding the project in the manner contemplated by Messrs. Dixon and Yates and of obtaining such funding at an interest rate sufficiently low to permit them to make a reasonable offer to the Government. The questions on these matters did not relate to the manner in which the funds would be obtained or who would arrange for them or who would supply them.

Further, as Mr. Hughes has testified, Mr. Wenzell did not take part in any determinations whatsoever with respect

to the policy underlying the Dixon-Yates contract nor did he have any part whatsoever in determining whether the Dixon-Yates proposal should be accepted.

There can be no doubt that all of the pertinent facts with respect to the Dixon-Yates contract have previously been made available to the Congress and to the public. This information covers all of the meetings of any significance and includes all of the documents of any importance.

It is entirely unreasonable to expect that every single meeting and every scrap of paper connected with this or any other contract should be made available either to the Congress or to the public for the simple reason that it would be impossible to do so. During the course of the negotiations preceding and following the submission of the Dixon-Yates proposals and the action leading up to the acceptance of their revised proposal of April 10, 1954, there were many, many meetings of which no records were kept. Similarly, there were prepared many drafts of letters and memoranda which were discarded or substantially revised. To demand preliminary drafts of documents prepared in a Government agency which differ from the documents finally decided upon and issued by the head of that agency is to dignify every original idea of every officer or employee as a product bearing the endorsement of the agency. Obviously, no agency could be expected to protect the interests of the Government if it were forced to operate under such conditions. Such a procedure would be like bringing into court, in a suit on a contract, all of the provisions which had been considered by the parties in their negotiations but excluded from the contract itself. It is the final contract which must be submitted to the scrutiny of the court and on which the case must be judged, just as in this matter the record must be made on the final issuances and not on the preliminary drafts of the Government agencies involved.

It is extremely doubtful whether there has ever been so much information made available with respect to the pertinent details of any other Government contract executed on behalf of the United States. The chronological listing of events and publication of documents involved in the negotiations preceding the execution of this contract, which were issued by the Bureau of the Budget and the Atomic Energy Commission last August, comprise a complete record of those negotiations and it is absurd to suggest that any pertinent information has been withheld. The fact that Mr. Wenzell's name was not mentioned in this chronology is of no more significance than the fact that the names of other employees of the Bureau of the Budget were not mentioned, nor the fact that the names of employees of the AEC were not mentioned, nor the fact that the names of various employees of the Dixon-Yates group were not mentioned. These names were omitted by agreement between Admiral Strauss and Mr. Hughes to identify only the principals in the proceeding and not their staff members. This agreement was reached to facilitate the preparation of a complete summary of all pertinent developments in the contract negotiations, free from unnecessary and unimportant detail.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 30, 1955, he presented to the President of the United States the following enrolled bills and joint resolution:

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;

S. 1718. An act to provide certain clarifying and technical amendments to the Reserve Officer Personnel Act of 1954;

S. 2266. An act to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956; and

S. J. Res. 85. Joint resolution to extend for temporary periods certain housing programs, the Small Business Act of 1953, and the Defense Production Act of 1950.

ADDRESS BY AMERICAN FEDERATION OF LABOR PRESIDENT MEANY BEFORE NATIONAL PRESS CLUB

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD an address delivered by President George Meany, of the American Federation of Labor, before the National Press Club, in Washington, D. C., on June 29, 1955. In this very able address the head of one of the large labor organization of the United States discussed certain aspects of our foreign policy. I believe that every Member of the Senate will find the address of great significance and importance.

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

Mr. Warren and distinguished guests, members of the Press Club and their guests, I would like to talk to you a little bit this afternoon about the Vienna Conference of the International Confederation of Free Trade Unions, and also my reactions to that conference and the attitude of labor toward the very important question of world peace.

I think that at the outset I should say that the question of world peace is of tremendous importance to the trade unionists of this country and of every other country. Perhaps we take a keener interest in world peace because of the fact that we are the first ones affected by war and the results of war. In addition, the trade-union movement cannot operate and cannot do its job in any other type of society except a free society.

Irrespective of the outcome of a war, we know that freedom receives a setback, not only during the war but in the period that follows the war.

We are of the considered opinion that if a third world war comes, what with the weapons in the hands of various countries of the world, atomic, hydrogen in nature, there won't be any winner, that we will all lose, and that labor will lose more than anyone else. That, of course, is the reason that labor is interested and will continue to be vitally interested in the question of world peace.

Now, everyone is looking, of course, to this conference at the summit, which comes in Geneva in the middle of next month, and I would like to say a little bit about the Vienna Conference of the International Confederation of Free Trade Unions, which met on the 20th of May in Vienna, Austria.

The background of that conference, of course, was that the Austrian Peace Treaty had just been signed and of course we found the Austrian people and the Austrian trade unions in a very happy frame of mind—so happy to get the Soviet troops off their soil that they were ready to overlook some of the cruel injustices that were imposed upon them by the treaty. The British election campaign was on, and of course British labor is always interested in that. We didn't see much of the campaign from where we were, except that the politicians of both parties seemed to be vying with one another in delivering exaggerations to the voters as to the possibility of peace in our time.

And the Soviets had just turned another page in their book of propaganda tricks. They were presenting what you might call the "smiling face" technique to the entire world.

Now, the reaction of the labor people at Vienna was rather interesting, and I made it my business to talk to as many of them as I possibly could while I was there. I found that the "smiling-face" technique did not impress them very much. But there was certainly no objection to negotiation. They felt that negotiation could not possibly do any harm. However, there was not much optimism regarding the outcome of the negotiations.

Finally, even though some of the representatives there indicated that they felt further approaches should be made, even that certain concessions should be made, in the final analysis I could not find anyone in any of the labor groups anywhere, even those close to the Iron Curtain, who felt that there was any definite change in Soviet policy. While there might be a definite change in tactics, there was certainly no change in the overall objective of the Soviet Union to dominate the entire world in due time.

Now, of course, everybody wants peace. I don't know of anybody in his right mind who isn't interested in this question of peace. I am sure that European labor wants peace as much as we do. They have seen and been the victims of war and the aftereffects of war, but at the same time I do not think that they are fooling themselves regarding the Soviet problem. That was reflected, I might say, in the actions of the congress itself in the face of this new smiling-face technique of the Soviets. The congress took very definite action on this question of free labor and of the Soviet threat to the free world. In fact, the actions of this congress, the fourth congress of the ICFTU, were stronger on this particular point than any other previous congress.

The congress unanimously, for instance, condemned Soviet opposition to effective control of atomic and hydrogen weapons as a step in the direction of genuine disarmament. They unanimously called upon the free nations to strengthen their union and their position militarily, socially, and economically in order to meet aggression.

Of course, the Soviets see a contradiction in that attitude on the part of the International Confederation of Free Trade Unions, where we condemn the Soviet Union for their continued opposition to any effective measures for inspection and control in the manufacture of atomic and hydrogen weapons as a step to genuine disarmament, and when we say in another resolution that we want the democracies to strengthen themselves militarily in order to deter and defeat aggression.

Of course, there is no actual contradiction there, because if the Soviets would go along

with the rest of the free world on the question of atomic control as a step toward disarmament, there wouldn't be any need for the second resolution, which we desperately need in order to keep up our military strength and keep up the strength of our allies, and, in whatever negotiations which take place, deal with the Soviets from a position of strength.

It also asked for collaboration on the part of the democracies in the field of legislation, in the field of social and economic policies, that would strengthen the free world. Of course, this comes from the application of a very practical theory on the part of free labor, which we know from long experience, that the Soviets make hay when things are bad. Poverty and depression seem to be the type of water that they want to fish in and carry out their Communist philosophy of infiltration into the free governments of the world.

It was notable at this conference that German labor took a position in favor of the strengthening of the democracies, which was a reversal of the position that it took at its conference in Frankfurt, Germany, last September. I think this is important because the position of Germany in European affairs is going to be of tremendous importance, and that position to some extent at least is going to be influenced by the position of German labor. I am quite sure that German labor now sees the importance of not only an integrated Germany, but also a Germany that is part of the Western World and goes along with the Western World in its opposition to Soviet communism.

In addition, at this conference, which is important to the free trade movement all over the world, the executive board of the ICFTU set up a special department to be of assistance to free labor in countries where the Communists are still trying to infiltrate and also to help in the development of free trade unions in the underdeveloped and backward nations of the world. This, of course, is of tremendous importance because we feel that it is necessary to keep these nations in the Western World outside of the Iron Curtain.

While it might seem that I am trying to overemphasize the importance of the trade union movement in this field, we know from experience that the trade union movement is important on the question of whether a country remains free or whether it goes in behind the Iron Curtain. I can assure you that the Soviets recognize the importance of the trade union movement in their attempts to subvert and break down the free nations.

As an example of that, we only need to cite the situation in Czechoslovakia in February of 1948. That country at the time was under the administration of Benes and Masaryk. If you know anything about these two men, you would know that if ever there were men who were patriots, in the true sense of the word, it was these two.

If you know anything about Czechoslovakia history since 1920 when it was brought into being as a result of the peace treaty in World War I, you will know that there really was a people who loved liberty and who were ready to fight for liberty just as much as anyone in this room and anyone in our country. Still this country went down.

Now the Communists didn't have control of the great newspapers of Czechoslovakia, they didn't have control of the great manufacturing industry, and they didn't control the finances of that country. They didn't control the Parliament. They had 28 or 29 percent of the membership of the Parliament. But they controlled the trade union movement, and, within 7 days, they controlled that country.

They forced these men to capitulate. They used the one weapon that they know so well how to use, the weapon of the general strike, and they only used it for 24 hours. But in 24 hours not a quart of milk was delivered in Prague, not a newspaper was printed, no telephone, no radio, and not a wheel turned in the entire city, and in that 24 hours they brought Benes and Masaryk to capitulation. That bargain gave them control of the police department, which they wanted, and within 7 days they had control of that country and they have maintained control of it ever since.

That was done because they could control and did control the worker organizations.

That is one of the reasons why we feel that free trade unionism is important in these countries, and it is important for us to try to keep free trade unionism alive.

After all, the American unions are not going to collect any dues in Europe or any of these other countries. We are not going to get any new members. And while we have a sentimental interest in workers in all parts of the world, we have over and above all a selfish interest, an interest that dictates that we try to keep others free so that we, too, can remain free.

That is the reason so much attention was paid at the ICFTU Congress to the question of helping workers in the countries where the Soviets are still trying to infiltrate and to subvert and also helping workers in the underdeveloped, backward, and colonial areas to build up free trade unions so that they can help their own nation and their own particular part of the world stay out of the grip of the Soviet Union.

At the congress, also, there was some discussion of the question of Yugoslavia and the Tito regime. An action was taken in which the congress effectively closed the door to the entrance of the Tito unions into our organization. They couldn't get in through the front door, and they were trying to get in through the back door, through the medium of the International Trade Secretariat. They succeeded in one or two spots, but the congress put an end to that with a very, very strongly worded resolution, as to the way the secretariats should conduct their business in the future.

Now, this was prior to the Tito-Khrushchev conference. However, it was an indication of the attitude of the ICFTU on this question of free labor. Tito, too, was recognized as a dictator, as one who denies human rights in every sphere where it interferes with his dictatorial control. So we make no line of demarkation between Tito and the so-called Soviet Communists.

I feel it might be well for our people and our policymakers in this country to take a good look at the Tito-Khrushchev meeting and wait until the returns are all in before passing judgment as to whether or not Tito is still oriented toward the West, or if he is still neutral, because two significant things happened immediately following the Tito-Khrushchev conference while I was in Europe.

One was that the Tito unions sent fraternal delegates to the Czechoslovakian trade union congress. Now, keep in mind that a trade union in any of these countries is an agency of the government. It does not represent anyone but the government. In most cases, it is an agency, not for the benefit of the worker, to impose rigid restrictions on the workers insofar as norms of production are concerned and insofar as the conditions on the job are concerned.

So here we have Tito immediately following the Khrushchev-Tito conference sending representatives of the so-called Yugoslavian trade union movement to the Czechoslovakian trade-union movement convention. That was significant because it was a case of the Tito government sending representatives to another government behind the Iron Curtain. That is the first time that that has happened since the Tito-Moscow break.

In addition to that, another significant thing happened. The representative, or the correspondent of the Zurich Zeitung, one of the outstanding papers in Europe—you people in the newspaper business, I am quite sure, will bear me out that this is one of the outstanding papers in Europe—the correspondent of that paper in Belgrade, who wrote what I would think you would call a constructive criticism of the Tito-Khrushchev conference, was immediately expelled from Belgrade and sent back home. That might give us a clue as to just where Tito's future lies. I think we would be well advised to reach our conclusions on these things on the facts rather than by what someone wants us to conclude.

Now, the question of whether or not Russia has changed its policy is something that, of course, was discussed by a great many at the conference and, as I said to you before, there was no one that I could find that had reached any conclusion other than that they had not changed their policy, and that they had merely changed their tactics and that their objective of world domination was the same as it always had been.

Why do we take that position? Because we measure, as practical people try to measure, by deeds rather than words. We felt that if there was any change in the policy of the Soviets toward a peaceful world and in the direction of more democratic ways of doing things, it would be shown first behind the Iron Curtain; it would be shown in the satellite states, and it would also be shown in the countries where the Soviets are now trying to subvert through control of the labor movement.

We don't see any such evidence of that either behind the Iron Curtain or other places. We see in Italy and in France heavily financed Soviet trade union movements, Communist-controlled movements, desperately trying to take over the workers of those two countries as they have been trying ever since the end of World War II. They are trying to subvert and bring both of those countries, if possible, behind the Iron Curtain.

Now, this has been going on, as I say, for many, many years. The Soviets felt perhaps 6 or 7 years ago that they were well on their way to control of those countries. They tried the general strike technique and it didn't work, because we had enough friends there who believed in the free trade union movement that were able to see that the general strike could not be made effective. But they have never given up.

In Italy, the best financed union, I think, that I have ever seen is the Communist-controlled CGT of Italy. They have riot squads, they have buses, motorcycles, they have wonderful buildings, and systems of communications and transportation. I do not know of any American union that has anything like it. That union is trying to bring Italian workers in its ranks so that it can control the government of Italy.

The same thing is true in France. I am happy to say, however, in both of these countries, that despite this tremendous effort on the part of the Communists—and I say this is financed by a government and it is not financed by the workers of either of these two countries—despite these efforts, the free trade union movement is still holding on and still doing a good job, and I would say that they are making gains.

Now, on the question of the Soviet position as of now and this so-called summit conference that is coming up in a few weeks—I feel there is one basic thing in this whole situation. Some of the people may be fooled. They may be fooled by the propaganda, by the little things that are being done for the purpose of deluding the American people. I feel that if there is one thing we have to do, we have to base our actions and our attitudes toward the Soviets on their

actions both past and present, rather than any propaganda.

The Soviets accepted this invitation without any qualification but the very same day, TASS, the official news agency, laid down the qualifications. In terms of propaganda, and these people are certainly clever about it, let us realize that there is always some basis in reason for propaganda. They just don't pull it out of the thin air. They use it for their purposes, and sometimes they make use of people who have no connection at all with communism, and have no sympathy for communism. But they are pulled in, as it were, by this clever propaganda.

Witness 1946. In 1946 America started to disband its Army and when the pickets were in front of the White House—"Bring the boys home"—picketing up and down the sidewalk day in and day out. Pickets were over on Capitol Hill. There were mass demonstrations by Soviet-controlled labor unions in the various cities of the country, pressure was put upon Congressmen to bring the boys home. "Disband your Army, America." That is what they were saying. Every mother in America, whether her son was there or not, was sympathetic to that idea. After all, the war was over, and what did we have to fear? We had been on the winning side.

And what did the Soviets do? Did they disband? No, they built up. They grabbed the satellites, they grabbed the Baltic States, one after another. They moved in on Poland, and Latvia, and Lithuania, and Esthonia, and Rumania, and we were busy disarming and we woke up late in 1947 and found out we had no Army but that we had a new enemy that had formerly been an ally.

Every Congressman was subjected to the pressure. If you want to know what was done, consult George Marshall and those in the military structure of our country. Who was it that started this propaganda? The mothers of America? No, they went along; who wouldn't, to bring the boys home; the war was over. America disarmed, and who picketed the White House? Members of the Communist Party and dupes of the Communist Party, some of them from Communist-controlled unions. But still that propaganda had a plausible sound, and it didn't sound unreasonable. So keep that in mind, in analyzing what the Soviets might do or might not do.

Now we have coexistence, peaceful coexistence. Live and let live. That sounds good; is there anything wrong with that? Live and let live. Day after day you hear someone uttering the profound statement, the very profound intelligent statement that it is either coexistence or no existence.

Boy, it takes a lot of study to come up with that one. Coexistence or no existence. Did you ever read the Daily Worker? Well, I read it. It is the best way I know to get the Commie line, because everything that is in there follows the line day in and day out. It is not the product of any particular person's imagination on the staff of the paper. If the line changes between Friday night and Saturday morning, then the Daily Worker reflects the new line on Saturday afternoon. You will find if you read that paper that the enemies of labor are the labor leaders here. You will find from time to time, as I did, on Monday that some great statesman, some great American statesman, said it is either coexistence or no existence. Well, that is the Communist propaganda. Live and let live. It sounds good. It sounds like the old American tradition of fair play—live and let live.

Of course it is good, provided that the other fellow believes in letting you live. Sure, he has no objections to us pursuing our way of life. Our way of life doesn't include taking someone else's territory. It doesn't include imposing our philosophy or our democratic system on someone who doesn't like that system. And it includes definitely allowing the others to live.

But the way of life that you say they can pursue in exchange for our pursuing our way of life includes the definite conscious day in and day out determination to destroy your way of life. So if you accept the Soviet policy of peaceful coexistence, you are just accepting something that is going to bring you no existence for our side in the future.

For them, it means time, and they need plenty of time. They have no timetable. They can change direction, back up, come forward, go sideways, and it means nothing. Their timetable is infinity. It means time for their war machine, time for them to further defend their fifth column, time for them to manufacture some more propaganda. Their propaganda in Europe is a neutral Germany, let all of the foreign soldiers go home. That is fair enough. Who can be hurt by that?

It is reasonable. The American troops go home and the Russians go home. You create a vacuum. So what?

We go home 4,000 miles and the Russians go 40 miles away from Berlin. Then who fills the vacuum? Who fills the vacuum in these undefended, so-called neutral countries? It is not the people who had no aggression in their designs, but who fills it? It is the aggressor, and who is the aggressor?

Well, I am quite sure that if we take a good look at the record we will know who the aggressor is.

Then we have the propaganda that the labor leaders of America who refuse to accept the idea that the cold war is over and there is no Iron Curtain are doing injury to their workers. They are doing injury to the working forces of America because we are going to alienate the liberal vote in Congress; the liberal vote in Congress knows that the cold war is over and now is the time to let down your guard and go and embrace with the Soviets.

Well, for my part, if that is the only way we can get liberal legislators to vote for us, in the things we believe in, then I am afraid that we will do without them. Because we are not to that point of softheadedness yet where we are going to trade this way of life for the so-called Soviet paradise.

So if there is any message that I have, and I think I have one, it is that the way to deal with these people is on the basis of good, hard Yankee commonsense, and on the basis of logic. You can't buy peace by appeasement. We know that. Anyone who doesn't know it doesn't know anything about world history in the last 30 years. You can buy the peace that Poland has, the peace of the salt mines, the peace of Czechoslovakia, but you can't buy the kind of peace that we want by appeasement.

The Molotov speech the other day at the U. N. was a pretty good tipoff of what they have in mind. Here is a representative of a nation that has in operation for many years an active fifth column designed to subvert all democratic countries, and we know that and everyone in our Government knows, and everyone in this room must know that the fifth column is still in operation and still trying to subvert the democratic countries, and we hear this representative of that nation claim to be the champion of international collaboration and noninterference with the internal affairs of other States. This same representative of a nation that has suppressed every human right at home, that has enslaved the people of territory with a population of 600 million, in his speech now talks and gives lipservice to equality and the self-determination of nations.

Well, it is quite obvious that the Soviets saw a need for a change in tactics, if not a change in policy. It is quite obvious what they want. They want a little more time to apply the Marxist socialist philosophy which is supposed to free all mankind.

Did it ever occur to you that it is 38 years since they put this philosophy in action in Russia, this economic philosophy which was going to raise the worker? It was going to raise his standard of life.

Now, 38 years later and God knows how many 5-year plans later, the standard of life is about where it was in 1910. The only substitution that has taken place in Russia is instead of the grand dukes and the czars living in the palace in this most vicious society ever invented, we have the commissars, and the Politburo, and the Molotovs and the Bulganins living in the palaces. So they need some more time. They have a 5-year plan now for the satellites.

What do they want? They want to prevent the integration of Germany, the final integration of Germany with the West. They want to slight America and Britain if they possibly can on some policy. They want something new in addition in Germany. They are willing to give Pieck up for Adenauer, and they will get rid of the two of them, that is fair enough. Let us get rid of the leader of East Germany and the leaders of West Germany, and let us start new.

Pieck for Adenauer? Well, Pieck like all of the Commies is expendable at any time they want to expend him.

So my conclusions would be, yes, negotiate. Negotiate with the devil, if we can avoid the horror of war. Any man in his right mind, knowing the potential destruction in the weapon that man can make today, should pray for peace every night of his life. Negotiate with the devil, if necessary, at the summit or any other place.

Don't bind the negotiators in advance. That won't do any good. Don't bind them either way. Don't tell them that they can't talk about the satellites. And don't make any agreement that is going to justify and legalize the international thievery of these men over the past 10 years. To do that would be to abandon all of the moral values upon which our Nation has been made.

Keep America economically and militarily strong. Do what we can to help our allies remain strong. Let us not make an agreement of convenience if in making it we have to accept the Communist definition of moral values.

That definition has made a science of hypocrisy, and a virtue of dishonesty. No European pact would be worth the paper it is written on if we are going to justify the crimes against humanity committed by these people against the millions that they have enslaved.

Above all, let us not be fooled. Just because there may be a decline in Moscow's capacity to do evil does not indicate a readiness to do good. Just because they might be less brutal at the moment than they usually want to be, it should not be taken as a sign of peace. Let us not be fooled because of the Austrian Treaty.

The Austrian people, as I said before, were very happy to get it, despite the fact that it imposes a payment of 1 million tons of oil a year for the next 10 years, and other oppressive clauses.

Tired of the cold war? So am I. Weary of years of tension? So am I. I would like to get it over with. And if I believed that the Soviets had changed their policy, I would be tickled to death to see the end in sight. But weary as we may be of years of tension, we cannot afford the luxury of relaxation in accepting this so-called change in tactics, change in propaganda, as a change in purpose of these people.

Just because Molotov puts on a 10-gallon hat and visits some museum and has lunch with Barney Baruch does not mean that Russia is suddenly converted to the ways of

peace. In fact, it may mean, the way things change over there at times, that he would be brought on trial for displaying bourgeois tendencies. Just because Khrushchev gets tight and slaps somebody on the back does not mean that he has suddenly become a Democrat, with a small "d" or a large "D."

If we learned one lesson from this last 10 years, it is the lesson that we must be strong, that the only way you can prevent aggression is to be strong enough to deter and defeat aggression. That is the policy we should follow if we want to preserve this way of life to which we are all committed.

Thank you.

AUTHORIZATION FOR CONSTRUCTION AT CERTAIN MILITARY, NAVAL, AND AIR FORCE INSTALLATIONS

Mr. JOHNSON of Texas. Mr. President, I invite the attention of my distinguished friend, the minority leader, to the request which I am about to make, because I have not had an opportunity to discuss it with him.

I ask unanimous consent that House bill 6829, the Public Works bill unanimously reported today from the Committee on Armed Services, and which is scheduled for consideration beginning at 10 o'clock tomorrow morning, be made the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6829) to authorize certain construction at military, naval, and Air Force installations, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment.

THE PRESIDENT AND CONGRESS

Mr. HENNINGS. Mr. President, in this morning's newspaper I read an extraordinary article written by the distinguished commentator and columnist, Walter Lippmann, and another article written by Mr. Arthur Krock, of the New York Times, in praise of the matchless leadership of our distinguished majority leader, the Senator from Texas [Mr. JOHNSON], and concerning President Eisenhower's experience with a Democratic Congress, as contrasted with his experience previously with a Republican Congress.

In effect, Mr. Lippmann stated that up until very recently Mr. Eisenhower has "acted like a man, who knowing his duty, is determined to grin and bear it but in the past week he has been talking and acting with a kind of ease and good humor which no one can put on if he does not feel them." Mr. Lippmann suggests that President Eisenhower has reached his decision about running in 1956 and the implication is that he will run. He further suggests that with so many people begging Mr. Eisenhower to become a candidate in 1956—I take it Mr. Lippmann is talking about Republicans, as I know no Democrat who is overly enthusiastic about his candidacy—Mr. Eisenhower has all but a fringe of the Republicans under his thumb and "the Democrats off-balance concerning the 1956 presidential campaign."

As one Democrat, I should like to make it clear that I do not think we are off-balance.

We do not have a predetermined candidate; our party has many men who are better qualified for this office—and I believe we are entitled to our opinion in that regard—than the present distinguished occupant of that office; and we have not even begun to get ready for the contest in 1956.

Those of us of the Democratic Party who serve in Congress are merely trying to get the legislative work done and to give a measure of responsibility and dignity to the Federal Government, which was so clearly lacking during the first 2 years of Mr. Eisenhower's term, when he had to deal with a Congress controlled by his own party.

Mr. Lippmann develops his theme further by stating that "with prosperity and peace, the winds and tides of politics are with him"—meaning Mr. Eisenhower—"and he is enormously popular as well as a successful President." While there is at the present time a semblance of both prosperity and peace, I wish to point out that at best the peace is uneasy and the prosperity very spotty. If one relies entirely upon the poll takers and other self-appointed political experts, you may easily conclude that Mr. Eisenhower is popular. But anyone who is in touch with grassroots sentiment will find that his popularity is becoming a worn and threadbare fabric.

As to success, I would like to quote from the column of Mr. Joseph Alsop, of June 19, 1955, in which he summed up Mr. Eisenhower's conduct of foreign affairs in the Far East as "the most incredible mismanagement in the entire history of American postwar diplomacy." This distressing debacle can only be matched in domestic affairs by the Eisenhower administration's shameful and scandalous bungling of the Salk polio vaccine program. I do not wish to take the time of the Senate to catalog the long list of failures in statecraft by the Eisenhower administration. Mr. Lippmann, himself, has outlined and analyzed them rather fully in the past in his many columns. Apparently what Mr. Lippmann means is that in his opinion Mr. Eisenhower is at present enjoying, with the indispensable aid of a Democratic Congress, a measure of success.

In fact, Mr. Lippmann stated in today's column, "I do not think it is any exaggeration to say that Mr. Eisenhower's success as President began when the Republicans lost control of Congress and the standing committees. In his first 2 years he had suffered an almost unbroken record of frustration and of domination by the senior Republicans, and particularly the Republican committee chairmen in the Senate." Out of a sense of delicacy for the sentiments of certain of my colleagues on the other side of the aisle, I shall refrain from mentioning any names but everyone, of course, knows to whom Mr. Lippmann referred.

Mr. Lippmann in his column went on to note that these senior Republicans invaded, knocked about, infiltrated, smeared, and terrorized the administration personnel to the verge of paralysis and demoralization. Lippmann charged that worse than that they terrorized some of the highest officials of the Eisenhower Cabinet into countenancing, and indeed in participating in acts of injustice—as in the Oppenheimer, Davies, Ladejinsky cases—which will not soon be forgotten. "Most dangerously of all," said Mr. Lippmann, "they held the President and Secretary Dulles captive and on so short a string that the effective control of foreign policy was in the hands of a few Senators." Mr. Lippmann concluded by saying that with the election of a Democratic Congress in 1954 Mr. Eisenhower was able to regain a semblance of control over the integrity and security of the executive department. Mr. Lippmann does not say so, but appears to imply that a kind of dignity has returned to the executive department. Mr. Lippmann, however, in the end, cautions that Mr. Eisenhower, as he terms it, can be successful only with a Congress safely in the hands of the Democratic Party. In my opinion, I think the record bears it out, Mr. Eisenhower has not been successful and cannot be successful under any circumstances. The only thing the Democrats can do is, by patience, forbearance, and high statesmanship of the kind exemplified particularly by the Senator from Texas, our majority leader, make the best of what is to us certainly, and I believe for the country, a very bad arrangement indeed.

I may say on behalf of my colleagues both in the Senate and in the House of Representatives that we shall support the President on those occasions when he is acting in the national interest, and we shall continue to oppose him with the utmost vigor when he follows the bad advice and counsel of some of his Republican partisans.

Mr. President, earlier today the distinguished junior Senator from Kentucky [Mr. BARKLEY] requested and received unanimous consent to insert in the CONGRESSIONAL RECORD Mr. Lippmann's article. I had intended making the same request, but shall not do so.

I do ask unanimous consent to have printed in the RECORD at this point in my remarks a copy of an article written by Mr. Arthur Krock, entitled "It Seems More Like the Good Old Days," which was published in today's New York Times.

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

IT SEEMS MORE LIKE THE GOOD OLD DAYS

(By Arthur Krock)

WASHINGTON, June 29.—Those Republicans and Democrats who have been criticizing the President and the Senate Democratic leader for being "too nonpartisan" felt better today after the smooth relations between General Eisenhower and Senator JOHNSON were ruffled by a small public spat. It didn't amount to much; a little needling of the President by the Senator, and the same right back. But it was a return, however temporary, to interparty normalcy.

The Senator scored first. After listing 275 bills which the Senate passed in 81 days, he commented, with his air of innocence, that this record was a refutation of the prediction by a "certain party leader" in the last campaign. The prediction was that the election of a Democratic Congress would mean "a cold war of partisan politics" in which programs urged by the President, and desired by the people, would be "bottled up." The forecaster was the President himself.

General Eisenhower got his chance to bat at his news conference today. Like the celebrated Willie Keeler, he "hit 'em where they ain't." In that vulnerable Democratic area was his campaign prophecy that, with the Executive and Congress under different party control, it would be impossible for the public to fix the responsibility for legislative failure or success. The Senate leader's claim of party credit for such accomplishments as there have been, accompanied by his failure to mention 13 major items of business still unfinished at the fag end of the session, demonstrated, the President said, how true that prediction turned out to be.

BATTLES BUT NOT WAR

Both the President's and JOHNSON's points were well taken. Certainly no "cold war of partisan politics" has been waged by the Democratic leaders in Congress or by the Democratic majorities. There have been sharp skirmishes, and an occasional battle with the administration. But the fraternizing between partisan engagements has been cordial and protracted, and in matters of foreign policy the opposition has been more "loyal" in percentage than the home guard. On the other hand, the Democrats have balked the President in large or small degree on most of the major items of his program that he listed today, sometimes by delaying actions.

Yet the cooperation, in the Senate, is so extensive and friendly that at times grumbling against JOHNSON's leadership has been audible among liberal Democrats and in the neighborhood of the Democratic National Committee. And, because of certain Presidential concessions to the majority, some Republicans have asked, though in discreet privacy, "Who won the 1952 election anyhow?"

THE PARTING SHOT

But, for this day at least, the President and the Senate leader of the opposition acted and reacted as partisan competitors instead of as loving partners, and the party workers on both sides will appreciate it. JOHNSON, in getting the last word, even needled the President with an implication which is a favorite of the Democratic Digest (the national committee publicity organ). This implication is that the President, being absent from Washington a great deal, is not well posted and depends on briefing by his aides. "After all," said JOHNSON, for once following this line today, "he [Eisenhower] spent last week in New England and may not fully understand all he is talking about."

Not until this session of Congress has ended will it be possible to calculate these factors in its record: The volume of solid and essential legislation it has approved as contrasted with the volume proposed by the President. The number of major administration positions that survived or were rejected in the legislation that was approved. The amount of unfinished business that by any normal test could be called essential.

WHY NO COLD WAR

But the spat between the President and the Senate leader today would have to develop into a sustained legislative blockade by the Democrats before General Eisenhower's cold-war forecast could acquire any factual basis. The Democrats have sought desperately for a flaming public issue with the administration, examples being Speaker RAYBURN'S $20 bill for everybody and the assault of some Senate Democrats on the Dixon-Yates contract for a private plant to feed power into the Tennessee Valley Authority system. But thus far the effort does not seem to have been rewarded in public interest or support.

These partisan forays, and even the President's list of unfinished items, do not, however, add up to a cold war. Those, including the correspondent, to whom the prophecy seemed reasonable with reference to domestic programs failed to anticipate the leadership thesis JOHNSON developed or its general Senate Democratic acceptance. It is, that making campaign issues is the business of the titular party leaders and the national committees; the sole business of the party members in Congress is legislation, preferably on its merits.

Mr. JOHNSON of Texas. Mr. President, I desire to express my deep appreciation to my friend the able senior Senator from Missouri for his generous expression of confidence in me.

AUTHORIZATION FOR VICE PRESIDENT OR PRESIDING OFFICER TO SIGN DULY ENROLLED BILLS OR JOINT RESOLUTIONS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, during the adjournment following today's session, the Secretary be authorized to receive messages from the House, and that the Vice President or the present Presiding Officer [Mr. SPARKMAN], as Acting President pro tempore, be authorized to sign duly enrolled bills or joint resolutions passed by the two Houses.

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

EXCESSIVE OIL IMPORTS

Mr. DANIEL. Mr. President, the President of the United States recently signed H. R. 1, to extend the Reciprocal Trade Agreements Act. In this law there is a provision which reads as follows:

In order to further the policy and purposes of this section whenever the Director of the Office of Defense Mobilization has reason to believe that any article is being imported into the United States in such quantities as to threaten to impair the national security, he shall so advise the President, and if the President agrees that there is reason for such belief, the President shall call an immediate investigation to be made to determine the facts. If on the basis of such investigation and the report to him of the findings and recommendations made to him therewith, the President finds the existence of such facts, he shall take what action he deems necessary to adjust the imports of such article to a level which will not threaten to impair the national security.

The leigslative history of H. R. 1 in the Senate Finance Committee and on the Senate floor establishes that this provision was placed in the bill as a compromise amendment to provide, among other things, a means for limiting excessive oil imports. In view of the Flemming report that imports of oil in excess of the 1954 ratio would impair this industry so vital to the national defense, we were led to believe that this amendment would be used to maintain the 1954 ratio.

The Flemming Report on behalf of the President's Advisory Committee on Energy Supplies and Resources Policy said:

The Committee believes that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be an inadequate incentive for exploration and the discovery of new sources of supply.

The committee recommends, however, that if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.

A report in the Oil Daily of Thursday, June 23, 1955, indicates that the figures on imports today are far above the ratio for 1954. In this regard, I ask unanimous consent that this article be inserted in the RECORD at this point in my remarks.

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

TOTAL OIL IMPORTS RISE 11.5 PERCENT FOR WEEK; WELL ABOVE YEAR AGO

An increase in imports of crude oil accounted for the total increase of 11.5 percent in imports of crude and products in the week ended June 17.

Total imports of crude and products in the week averaged 1,201,500 barrels daily, up 124,000 barrels from the average of 1,077,500 in the preceding week, and were 227,500, or 23.4 percent above the average of 974,000 in the like year-earlier week.

Imports in the 4-week period ended June 17 averaged 1,184,700 barrels daily, 163,400, or 16 percent above the average of 1,021,300 in the like 4-week period a year ago.

Receipts of crude for the country as a whole were up 125,900 barrels daily in the week, averaging 844,500, compared with 718,600 in the preceding week, and were 189,900 higher than the average for the like year-earlier week.

Imports of crude east of California were 33.7 percent, or 205,400 barrels daily, higher in the latest week, averaging 814,200, compared with 608,800, but receipts in California declined 79,500, from 109,800 to 30,300 barrels daily.

Receipts of residual fuel showed little change, gaining 15,300 barrels daily in the week, from 316,700 to 332,000 barrels daily, but still held 78,800, or 31.1 percent, higher than the average of 253,200 in the like year-earlier week.

Imports of all other products declined in the latest week. No receipts of distillates were reported, compared with imports of 6,700 in the preceding week; asphalt declined from an average of 19,300 to 13,400 in the latest week, with receipts of other petroleum products off from 16,200 to 11,600 barrels daily.

Mr. DANIEL. Mr. President, other figures recently have been released which indicate that imports of oil for the first quarter of 1955 exceed the same period of 1954 by 22.55 percent or 248,000 barrels per day.

In view of the findings of the President's Advisory Committee on Energy Supplies and Resources Policy that a substantial increase in imports of crude oil over the amount imported in 1954 would result in an impairment of an industry vitally necessary to national defense, it would appear that now is the

time for the director of the Office of Defense Mobilization to take action.

The problem in Texas is acute. Our producers have been limited to 15 days per month, largely on account of excessive imports. Our State tax revenues are reduced accordingly.

Recently the president of the Texas Independent Producers and Royalty Owners Association, Mr. A. P. King, Jr., wrote to Dr. Arthur S. Flemming, Director of the Office of Defense Mobilization, pointing out the situation presently existing in Texas. I am sure these letters will be of interest to every Member of the Senate, in view of the effect upon an industry which supplies the lifeblood of our national defense effort. I commend these communications to the attention of my colleagues.

Mr. President, I ask unanimous consent that the two letters be inserted in the RECORD at this point in my remarks.

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

TEXAS INDEPENDENT PRODUCERS AND ROYALTY OWNERS ASSOCIATION,

Austin, Tex., June 22, 1955.

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

DEAR MR. FLEMMING: As you know, the Congress of the United States through an amendment to the Trade Agreements Act, has prescribed a procedure having the unmistakable intent of limiting oil imports to the ratio which such imports bore to domestic production in 1954. You are aware, I am sure, that the record clearly shows that Congress in adopting this amendment intended that oil imports not exceed levels recommended by the President's Advisory Committee on Energy Supplies and Resources Policy.

As evidence of this, we cite you the report of the Senate Finance Committee which specifically related the findings of this Cabinet fuels committee to the mandate limiting imports, which report was adopted by the Senate, concurred in by the House, and approved by the President both in his signing the bill and more specifically in a press conference statement describing the amendment as "very fine."

Further evidence appears in repeated assertions by individual Members of the Senate in debate on the bill extending the Trade Agreements Act. To illustrate, may I cite as one of numerous similar statements a remark on the Senate floor by Senator FRANK CARLSON: "I was assured by those in the administration responsible for the Trade Agreements program that if the amendment were adopted, action would immediately follow and that imports of petroleum and its products would be definitely restricted."

The specific amendment to which I refer reads as follows:

"(b) In order to further the policy and purposes of this section whenever the Director of the Office of Defense Mobilization has reason to believe that any article is being imported into the United States in such quantities as to threaten to impair the national security, he shall so advise the President, and if the President agrees that there is reason for such belief, the President shall call an immediate investigation to be made to determine the facts. If on the basis of such investigation and the report to him of the findings and recommendations made to him therewith, the President finds the existence of such facts, he shall take what action he deems necessary to adjust the imports of such article to a level which will not threaten to impair the national security."

Inasmuch as the responsibility under the amendment for initiating restrictive action rests with you as Director of the Office of Defense Mobilization, we, therefore, respectfully petition you to advise the President as soon as practicable that the national security is being jeopardized by the current rate of petroleum imports.

It was the finding of the President's Advisory Committee on Energy Supplies and Resources Policy, on which you served as chairman and which included seven members of the President's Cabinet, that imports to excess of the 1954 ratio jeopardizes the national security. The latest figures, which are being compiled at this time and will be placed in your hands within the next few days, show unmistakably that petroleum imports so far this year have exceeded significantly the 1954 ratio and, according to estimates of the importing companies themselves, will continue to do so unless appropriate action is taken under the law.

In the meantime, allowable production for crude petroleum in the United States, particularly that in the State of Texas, continues to decline. Texas producers are allowed to produce their wells only 15 days per month; operation costs remain relatively stationary even though production is allowed only on a half-time basis. In the face of repeated reductions in allowables ordered by the conservation commission of the State of Texas, nominations by crude-oil purchasers, in the main constituting importing companies, show a continuing decline. The State conservation commission unfortunately finds itself in the position of having to force Texas production into the role of supplementing whatever level of foreign oil the few imposing companies desire to bring in. It must either curtail production here to keep a reasonable balance between supply and demand or allow to be produced oil at a rate which will cause waste and in some cases contribute to the permanent loss of this valuable resource.

To illustrate the point that the commission must choose between curtailment of domestic production or contributing to waste—in the absence, that is, of a curtailment of the current excessive level of oil imports—I cite the announced intention of some importing companies to practice selective buying with the result that some fields may be denied a market altogether. Unless the overall supply is reduced to a point that these companies can or will prorate unneeded production in some areas over all the areas in which they purchase, they may cease to buy equitably among all fields which their pipelines serve. Inasmuch as a large percentage of the production from some of these fields comes from what are known as stripper wells, even a temporary curtailment of purchases would result in the permanent loss of oil which otherwise could and would be produced. Once shut in, many of these wells can never be restored to economic production, at the present price level of crude oil. In order to avoid this condition and to fulfill its function of preventing waste, the commission is virtually forced into the position of reducing allowables for the entire State so as to create a need for production from stripper wells which will otherwise be shut in and abandoned with permanent loss of recoverable oil.

Many illustrations can be cited in the oil fields today, perhaps more than at any time in at least a decade, of the failure of crude oil purchasers—which is to say pipeline companies and refiners, a large percentage of whom are themselves importing companies—refusing to take oil which is readily available to them from independent producers. I myself in two areas am forced to truck my crude oil at considerable additional expense to a point at which it will be purchased. The purchaser whose pipelines services those areas declines to absorb more oil because of the general oversupply picture.

The effect of this condition on the health and vigor of the domestic oil industry is obvious to you, I am sure. Because of the long-range nature of drilling commitments and other contractural relationships, the full effect is not reflected completely at once.

As evidence that there is general accord within the oil industry itself, even on the part of most oil importing companies, that oil imports today are excessive to the point of damaging segments of the domestic oil industry, I cite you a report adopted by the National Petroleum Council May 5, including the following conclusions:

"(1) The continued increase in imports of crude oil coupled with a decline in exports of crude oil and its products has damaged in varying degrees segments of the domestic oil industry.

"(2) Further increases of imports without regard to the principle of only supplementing the domestic production of crude oil and its products will seriously damage the domestic oil industry and thus affect the domestic economy and the national security.

"(3) Fair and equitable relationships have not prevailed between total imports of crude oil and total demands for oil in the United States during periods of excess availability of domestic oil for United States consumption. Fair and equitable relationships should obtain at all times between total imports of crude oil and its products and total demand for oil in the United States."

We feel you will agree that it should not be necessary or desirable for you under this legislative mandate to attempt further determination of that point at which imports begin to injure or threaten to injure the national security. That determination has been made and the yardstick clearly established in the report of the President's Advisory Committee on Energy Supplies and Resources Policy. Accepting that yardstick, therefore, it seems to us mandatory upon you as Director of the Office of Defense Mobilization to ascertain simply whether or not imports today exceed the 1954 relationship. Upon finding imports in excess of that maximum deemed consistent with national security, we hold that your responsibility is to recommend to the President that appropriate action be taken not only to restore imports to the 1954 level, but to reduce them to that level which will assure that for the year as a whole they will not have exceeded the 1954 relationship. That is to say, not only must imports hereafter be held to the 1954 level, but they must be reduced to a level which will assure that for the year as a whole they do not exceed the level which has been determined officially to be the maximum in the interest of national security.

Under the procedure as set forth in the amendment adopted by the Congress, which amendment was intended to apply not alone to petroleum but to other commodities, the domestic production of which is vital to our security, the President is required to have conducted an investigation to determine the facts. We respectfully recommend that in your report to the President you include appropriate references to the findings of the Cabinet committee.

This, we believe, will obviate in the case of petroleum any further investigation at this time, inasmuch as the facts as to the relation of imports to security are set forth therein. We hold, in other words, that in the case of petroleum it was the assumption of Congress as amply demonstrated that the investigations on the part of the Director of Defense Mobilization and the President already have been made. Your responsibility under this law and that of the President, therefore, as we understand it, is simply to ascertain the current level of imports in relation to the report of the President's Advisory Committee on Energy Supplies and Resources Policy. Upon finding them to exceed the prescribed maximum, the President, in the

words set forth in the amendment, "shall take such action as he deems necessary to adjust the imports of such article to a level that will not threaten to impair the national security."

Such action, it seems clear, may take the form of increased tariffs, quotas, any variation of the quota-tariff combinations, import reductions by individual companies on a basis prescribed by Presidential directive, or the exercise of any other authority found necessary to effect the necessary reduction in total imports of crude oil and products. At your request, we should be pleased to recommend specific measures designed to have the effect of restricting oil imports to the 1954 level.

Under this law, in our judgment, there can be no question as to the right and duty of the Executive Department to require by whatever means necessary that imports be reduced to the point which will assure that they do not exceed the level determined to be maximum consistent with our national security. It is our conviction that importing companies cannot be depended upon to exercise necessary restraint even if it were the desire of each at all times to do so. We believe you are aware that forces exist, economic and otherwise, which preclude so-called voluntary action, even as encouraged by the threat of restrictive action under congressional edict. For that reason, some definite restrictive policy appears to us absolutely essential if the mandate of Congress and the findings of the President's Advisory Committee on Energy Supplies and Resources Policy are to be honored. The responsibility is a great one, we recognize, and is made extremely complex by a great many factors at work in this particular field of international trade. For that reason, the tendency will exist in some quarters, we fear, to interpret loosely this clear and emphatic expression from Congress that imports of petroleum in the national interest shall not exceed the ratio established in the year 1954.

In line with our discussion, we of this association stand ready to be of assistance in any way possible. If we can be helpful in any study you feel necessary at any time, our personnel and facilities are available to you upon request. Please do not hesitate to call on us at any time.

Respectfully yours,

A. P. KING, Jr.

TEXAS INDEPENDENT PRODUCERS AND ROYALTY OWNERS ASSOCIATION,
Austin, Tex., June 24, 1955.

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

DEAR DR. FLEMMING: In filing with you on June 23 a request that you immediately advise the President, under a provision of the Trade Agreements Act, that imports are excessive to the point of jeopardizing the national security, I agreed to submit as soon as practicable a supplementary statement reflecting generally the statistical picture.

Because we of this association do not maintain a statistical section, we have relied upon wholly responsible organizations which do for our figures—including the Bureau of Mines, the Independent Petroleum Association of America, the American Petroleum Institute, and the Texas Railroad Commission.

We cite below only those figures which we believe are essential to reflect accurately the current petroleum import situation.

From the figures it will be obvious that:

1. Imports are increasing at a rate almost four times the rate at which demand is increasing;

2. Imports during the first quarter of 1955 exceeded the level for the same period of 1954 by 22.55 percent, or 248,000 barrels per day;

3. On the basis of known and reliably estimated imports for the first 6 months of this year, imports are averaging 1,250,000 barrels per day, which is 18.27 percent above the comparable period of 1954;

4. If imports are to increase at a rate consistent with the increase in demand, they should average 1,107,000 barrels per day for the year;

5. Imports for the second half of this year must average no more than 967,000 barrels daily if they are not to exceed in 1955 the average found by the President's Cabinet Committee on Energy Supplies and Resources Policy to be maximum consistent with our national security.

6. If imports are curtailed in accordance with the intent of the provision in the Trade Agreements Act, domestic producers will be accorded a market for approximately 700,000 barrels per day more than it is estimated they will be allowed to produce if the President does not act under the congressional mandate.

THE STATISTICAL PICTURE

To clarify this, we offer a few figures which are self-explanatory:

	Barrels per day
Total United States domestic petroleum demand, 1954	7,752,000
Total crude imports, 1954	656,000
Total products imports, 1954	396,000
Total crude and products imports, 1954	1,052,000

Crude imports equal 8.5 percent of 1954 domestic demand.

Products imports equal 5.1 percent of 1954 domestic demand.

Imports of crude and products equal 13.57 percent of 1954 domestic demand.

With this picture in mind, we can compare those figures with the Bureau of Mines reports for the first quarters of 1954 and 1955:

	Barrels per day
Crude imports, first quarter, 1955	744,000
Crude imports, first quarter, 1954	631,000
Increase, 1955 over 1954	113,000
Products imports, first quarter, 1955	604,000
Products imports, first quarter, 1954	469,000
Increase, 1955 over 1954	135,000

FIRST QUARTER, 1955, VERSUS FIRST QUARTER, 1954

	Percent
Percentage increase, crude imports	17.91
Percentage increase, products imports	28.78
Percentage increase, crude and products	22.55

Estimated domestic demand for all products for 1955 is 8,166,000 barrels per day, an increase of 5.3 percent over 1954. Our figures show that the importing companies have exceeded this by 22.55 percent during the first quarter of 1955.

We find, therefore, that the percent gain in the first quarter imports is so far out of line with the percent gain in domestic demand anticipated for the year that really drastic cuts are necessary to bring 1955 imports into line with 1954. Since complete figures are not available for the second quarter, we are using estimates showing imports for the first 6 months averaging 1,250,000 barrels per day. This would represent a gain over the first 6 months of 1954 of 18.27 percent. This, like the experience in the first quarter, is greater than the anticipated gain in domestic demand for the whole year.

On the basis of an estimated increase of 5.3 percent in demand for the year, imports during the first 6 months were running substantially above the point where the Flemming report says they endanger the security of the Nation. If imports are to show a gain for the year 1955 of only 5.3 percent (the same as the increase in domestic demand), they should average 1,107,000 barrels per day for the year.

Since the estimated imports in the first half of the year were 1,250,000 barrels per day, then imports in the second half will have to average only 967,000 barrels daily.

With this in mind, we can examine the effect on our production at home if imports are brought to their proper level. Total domestic demand for all products during the last half of 1955 is estimated at 8,166,000 barrels daily. With imports at 967,000 barrels we could expect to produce domestically some 7,200,000 barrels daily. This is 700,000 barrels per day more than it is estimated we will produce if the President does not act under the congressional mandate to curb imports.

ACTION REQUIRED

On the basis of irrefutable evidence that imports exceed significantly the level deemed to be maximum consistent with our national security, it seems to us under the law that your obligation is to apprise the President of the full facts. His responsibility, if this congressional mandate is to be honored, is first to satisfy himself as to the "existence of such facts." He then, under the law, "shall take what action he deems necessary to adjust imports of such articles to a level which will not threaten to impair the national security."

At your invitation, or that of the President, we should be pleased to recommend specific measures which we believe appropriate to accomplish the intended objective of restoring imports to the 1954 level.

Respectfully yours,

A. P. KING, Jr.

Mr. DANIEL. Mr. President, the junior Senator from Texas joins in urging action to prohibit foreign oil from supplanting rather than supplementing our domestic production. The time for action is now.

ADJOURNMENT TO 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 4 o'clock and 47 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, July 1, 1955, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 30, 1955

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, whose divine spirit pervades and sustains the universe, may our life this day be hallowed and inspired with a sense of Thy presence and power.

Wilt Thou so expand and enlarge our minds and hearts that they may be big

enough to comprehend more fully Thy love, Thy greatness and goodness.

May we feel Thy nearness for Thou knowest how desolate and lonely we are without Thee and that we are too frail to achieve the goals we dream about unless we have the assurance of Thy grace and strength.

Grant that when we come upon days that are overcast with sorrows, and burdened with cares, and doubts assail us, may we conquer them upon our knees in prayer, for in Thee our visions of victory find reality and fulfillment.

Hear us in the name of the Captain of our Salvation. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 619. An act to provide that all United States currency shall bear the inscription "In God We Trust."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 464. An act to authorize the Secretary of the Interior to issue patents for certain lands in Florida bordering upon Indiana River;

S. 667. An act to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938 (52 Stat. 611), and July 1, 1902 (32 Stat. 622), as amended;

S. 669. An act to provide an elected mayor, city council, school board, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes;

S. 756. An act to authorize the appropriation of accumulated receipts in the Federal aid to wildlife-restoration fund established by the Pittman-Robertson Act and to authorize the expenditure of funds apportioned to a State under such act for the management of wildlife areas and resources;

S. 1041. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes;

S. 1077. An act to provide for settlement of claims for damages resulting from the disaster which occurred at Texas City, Tex., on April 16 and 17, 1947;

S. 1292. An act to readjust postal classification on educational and cultural materials;

S. 1633. An act relating to a constitutional convention in Alaska;

S. 1792. An act to amend the Federal Employees' Group Life Insurance Act of 1954; and

S. 1849. An act to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1718. An act to provide certain clarifying and technical amendments to the Reserve Officer Personnel Act of 1954.

FIRST ANNIVERSARY OF NEW GOVERNMENT IN GUATEMALA

Mr. SIKES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, on June 29, 1 year ago, the new Government of Guatemala was first proclaimed. That historic and significant occasion marked a decisive turning point in the activities of communism in the Western Hemisphere. There the disciples of intimidation, subversion, and oppression were ousted from their foothold in the Americas. It was Guatemala that the Communists had hoped to use as a springboard from which to move into one after another of the American Republics.

The courage and daring of Col. Carlos Castillo Armas and his determined little band of liberty lovers must go down in the annals of history as an epic of modern times. No less heroic and courageous has been their classic effort to restore to Guatemala a sound and progressive government, a balanced budget, and a prosperous and contented citizenry. The tasks confronting them have been monumental because of the chaotic conditions and bankrupt treasury left by the fleeting Communists.

Between no nations should there be closer ties than between Guatemala and the United States. In the welfare of no nation should there be greater interest on our part than the interest we have in Guatemala, our hospitable and courageous little neighbor to the south. On this occasion 1 year after President Carlos Castillo Armas proclaimed the new government, we should affirm our determination to assist his government and the Guatemalan people to successfully meet and overcome the problems which still confront them as a part of our salute to their determined bid for freedom.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1956

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H. R. 6042) making appropriations for the Department of Defense 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.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MAHON. 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. 104]

Bolton, Oliver P.	Gray	Moulder
Boykin	Green, Pa.	Mumma
Buchanan	Gregory	Polk
Canfield	Gubser	Powell
Celler	Jackson	Ray
Chatham	James	Reece, Tenn.
Cooley	Kearney	Reed, N. Y.
Dingell	Kearns	Rivers
Doyle	McDowell	Scherer
Eberharter	McGregor	Shelley
Grant	Mack, Ill.	Wickersham
	Morrison	

The SPEAKER. On this rollcall 396 Members have answered to their names, a quorum.

Without objection, further proceedings under the call were dispensed with.

CONTINGENT EXPENSES OF THE HOUSE

Mr. NORRELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 365) making an additional appropriation for the fiscal year ending June 30, 1955.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman please explain this resolution?

Mr. NORRELL. This item is necessary for folding documents, in the amount of $12,000.

Mr. TABER. That is for the folding room?

Mr. NORRELL. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, to supply an additional appropriation for the fiscal year ending June 30, 1955, as follows:

HOUSE OF REPRESENTATIVES

CONTINGENT EXPENSES OF THE HOUSE

For an additional amount for "Folding documents," $12,000.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1956

The SPEAKER. The Clerk will read the statement on the part of the managers of the House.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1030)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6042) making appropriations for the Department of Defense 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 8, 17, 21, 24, 25, 27, 34, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 22, 23, 28, 30, 31, and 32, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert $400,000"; 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 "$31,000,000"; 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 matter proposed by said amendment insert the following:

"Spun silk yarn for cartridge cloth (subject to the same conditions as apply to other commodities in this paragraph)."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 6, 20, and 33.

GEORGE MAHON,
HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
W. F. NORRELL,
JAMIE L. WHITTEN,
GEORGE W. ANDREWS,
JOHN J. RILEY,
CHARLES B. DEANE,
DANIEL J. FLOOD,
CLARENCE CANNON,
R. B. WIGGLESWORTH,
ERRETT P. SCRIVNER,
GERALD R. FORD, JR.,
EDWARD T. MILLER,
HAROLD C. OSTERTAG,
GLENN R. DAVIS,
JOHN TABER (except as to amendments 10, 11, and 12),

Managers on the Part of the House.

DENNIS CHAVEZ,
RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,
HARRY F. BYRD,
LEVERETT SALTONSTALL,
STYLES BRIDGES,
MILTON R. YOUNG,
RALPH E. FLANDERS,

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. 6042) making appropriations for the Department of Defense 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:

DEPARTMENT OF DEFENSE

Title I

Office of the Secretary of Defense

Amendment No. 1—Salaries and expenses: Appropriates $12,250,000 as proposed by the Senate instead of $12,000,000 as proposed by the House.

Amendments Nos. 2 and 3—Office of Public Affairs: Change heading and appropriate $420,000 as proposed by the Senate instead of $400,000 as proposed by the House.

Title II

Interservice Activities

Amendment No. 4—Emergency fund: Appropriates $35,000,000 as proposed by the Senate instead of $25,000,000 as proposed by the House.

Amendment No. 5—Emergency fund: Reported in disagreement.

Title III

Department of the Army

Amendment No. 6—Maintenance and operations: Reported in disagreement. This amendment, relating to continued operation of the Army-Navy Hospital at Hot Springs National Park, Ark., and the Murphy General Hospital in Boston, Mass., further emphasizes action taken by the House in providing funds and expressed sense in the committee report.

Amendments Nos. 7 and 8—National Board for the Promotion of Rifle Practice, Army: Appropriate $400,000 instead of $265,000 as proposed by the House and $500,000 as proposed by the Senate, and deletes provision of the Senate for transfer of ammunition without reimbursement. The managers are agreed that the increase provided is to be used for the purchase of ammunition.

Amendment No. 9: Deletes provision of the House relating to restrictions on funds for recruiting purposes. The managers suggest that a complete review be made of all recruiting activities with the view of eliminating all unnecessary expenses and improving efficiency of operations.

Title IV

Department of the Army

Amendment No. 10—Military personnel, Marine Corps: Appropriates $650,244,000 as proposed by the Senate instead of $616,438,000 as proposed by the House.

Amendment No. 11—Marine Corps procurement: Appropriates $290,190,000 as proposed by the Senate instead of $286,500,000 as proposed by the House.

Amendment No. 12—Marine Corps troops and facilities: Appropriates $181,605,000 as proposed by the Senate instead of $172,750,000 as proposed by the House.

Amendment No. 13—Shipbuilding and conversion: Inserts clarifying language as proposed by the Senate.

Amendment No. 14—Ships and facilities: Provides transfer authority in amount of $16,240,000 as proposed by the Senate instead of $15,700,000 as proposed by the House.

Amendment No. 15—Medical care: Appropriates $62,494,556 as proposed by the Senate instead of $62,500,000 as proposed by the House.

Title V

Department of the Air Force

Amendments Nos. 16 and 17—Aircraft and related procurement: Appropriate $6,306,000,000 as proposed by the Senate instead of $5,950,000,000 as proposed by the House and delete the language proposed by the Senate. The managers are completely agreed that the buildup of Air Force as provided by the increased amount for "Aircraft and related procurement" be accelerated to the extent possible consistent with proven technological developments and efficient application of appropriated funds.

Amendment No. 18—Major procurement other than aircraft: Appropriates $349,862,600 as proposed by the Senate instead of $350,000,000 as proposed by the House.

Amendment No. 19—Maintenance and operations: Appropriates $3,597,496,570 as proposed by the Senate instead of $3,615,500,000 as proposed by the House.

Amendment No. 20—Maintenance and operations: Reported in disagreement.

Amendment No. 21—Maintenance and operations: Deletes the language proposed by the Senate. The managers agree that the Veterans Administration shall keep the John Moses Veterans Hospital at Minot, N. Dak., open until a decision can be made by the Congress as to further use by the Veterans Administration or the Department of Defense.

Amendment No. 22—Military personnel: Appropriates $3,680,650,000 as proposed by the Senate instead of $3,670,000,000 as proposed by the House.

Amendment No. 23—Air National Guard: Appropriates $192,191,000 as proposed by the Senate instead of $202,841,000 as proposed by the House.

Amendments Nos. 24 and 25—Reductions in appropriations, "Air Force Stock Fund" and "Air Force Industrial Fund": Restores language and amounts as proposed by the House.

Title VI

General Provisions

Amendment No. 26: Limits fund availability for preparation for sale or salvage of military supplies to $31,000,000, instead of $40,000,000 as proposed by the House and $20,000,000 as proposed by the Senate.

Amendment No. 27: Deletes provision of the Senate providing for legal tuition for three persons in each military department.

Amendment No. 28: Limits total fund availability for public information and public relations to $3,270,000 as proposed by the Senate instead of $3,250,000 as proposed by the House.

Amendment No. 29: Retains provision of the Senate for spun silk yarn for cartridge cloth and adds provision, as proposed by the House, making such purchase subject to conditions applicable to other commodities in paragraph.

Amendments Nos. 30, 31, and 32: Exempt from limitation on purchase of passenger automobiles 250 vehicles for the Navy and Marine Corps and 750 for the Air Force, as proposed by the Senate, instead of 221 for the Marine Corps and 503 for the Air Force, as proposed by the House.

Amendment No. 33: Reported in disagreement.

Amendment No. 34: Deletes provision of the Senate providing payment for meals of certain enlisted personnel when rations in kind are not available. The managers are agreed that this matter can be handled subsequently through the usual budgetary procedures.

Amendment No. 35: Restores original section number.

GEORGE MAHON,
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JOHN TABER (except as to amendments 10, 11, and 12),

Managers on the Part of the House.

Mr. MAHON. Mr. Speaker, this is the last day of the fiscal year and it is important that we pass and send to the President today the bill making appropriations for the Department of Defense for the new fiscal year which begins tomorrow.

There is general agreement with respect to the provisions of the conference

report—the final draft of the Defense bill—and I shall not take the time of the House to speak at great length.

It seems most appropriate, however, that there should be placed in the RECORD at this point considerable factual information as to what the bill in final form actually contains.

It will be recalled that after months of hearings before the Appropriations Committee, the printed hearings containing 5,000 pages, the House took up the Defense bill for debate on May 11 and passed it on May 12. The CONGRESSIONAL RECORD of those dates is referred to along with the committee report.

The Senate raised the overall amount of the House bill in the sum of $394 million. The bulk of this increase was to provide funds for an accelerated program of production of the B–52 heavy bombers. Of the additional funds, $46 million was for the maintenance of a larger Marine Corps than was requested by the President and provided in the House bill.

The House conferees agreed to the increases for the Air Force and the Marines and hence in dollars the conference report is substantially the same as the Senate bill. However, the conferees agreed to the House provisions with respect to the rescission or recapture of funds presently available to the Department of Defense. In other words, rescissions in the conference report are $380 million greater than in the Senate bill.

Department of Defense appropriation bill, 1956—Summary, House-Senate action

	Appropriations, 1955	Estimates, 1956	House bill	Senate bill	Conference	Increase (+) or decrease (−) conference action compared with—	
						House bill	Senate bill
Title I. Office of Secretary of Defense	$12,570,000	$12,750,000	$12,400,000	$12,670,000	$12,670,000	+$270,000	
Title II. Interservice activities	527,500,000	682,250,000	672,250,000	682,250,000	682,250,000	+10,000,000	
Title III. Army	7,619,066,986	7,573,980,000	7,329,818,000	7,330,053,000	7,329,953,000	+135,000	−$100,000
Title IV. Navy	9,712,823,500	9,180,157,000	9,071,834,000	9,118,179,556	9,118,179,556	+46,345,556	
Title V. Air	10,927,930,000	14,783,678,000	14,401,904,000	14,739,763,170	14,739,763,170	+337,859,170	
Total	28,800,070,486	32,232,815,000	31,488,206,000	31,882,915,726	31,882,815,726	+394,609,726	−100,000

TOTAL FUNDS AVAILABLE

In addition to the amount of $31,882,815,726 appropriated for fiscal year 1956 an estimated unobligated amount as of June 30, 1955, of $10,462,000,000 and reimbursements from other agencies, principally Foreign Operations Administration, of $1,160,000,000 will provide a total availability in 1956 of $43,500,000,000.

There will be available for expenditure purposes, as distinguished from funds available for obligation, a total of approximately $75 billion. This amount includes a carryover from 1955 of an estimated $43,162,000,000. The expenditures in 1956 are budgeted at $35,200,000,000.

BUDGET CATEGORIES

Of the total amount provided for 1956 for all services approximately $9,800,000,000 or 30 percent is for military personnel costs; $9,500,000,000 or 29 percent is for major procurement such as aircraft, ships, weapons, ammunition, guided missiles, electronics, and so forth; and $9 billion or 27 percent is for maintenance and operations.

The following is a summary of military personnel for all services for the fiscal years 1954, 1955, and 1956, as provided for in the bill as finally adopted:

Military personnel strengths

[In thousands]

	Actual end strength		Projected end strength			
			June 30, 1955			June 30, 1956
	June 30, 1954	Dec. 31, 1954	Approved in fiscal year 1955 funding	Revised in fiscal year 1956 estimates	Current estimate Apr. 8, 1955	
Type of personnel:						
Officers	353.8	350.8	360.7	354.3	355.9	347.9
Enlisted	2,931.2	2,813.7	2,671.5	2,580.3	2,590.9	2,518.6
Subtotal	3,285.0	3,164.5	3,032.2	2,934.6	2,946.8	2,866.5
Officer candidates	17.1	16.0	14.4	14.5	14.5	14.5
Total	3,302.1	3,180.5	3,046.6	2,949.1	2,961.3	2,881.0
Total personnel by service:						
Army, excluding cadets	1,403.0	1,323.8	1,170.7	1,100.0	1,112.2	1,025.0
Cadets	1.6	2.2	2.0	1.8	1.8	2.0
Total, Army	1,404.6	1,326.0	1,172.7	1,101.8	[1] 1,114.0	1,027.0
Navy, excluding midshipmen and naval aviation:						
Cadets	719.3	679.9	682.0	665.0	665.0	657.0
Midshipmen	3.5	3.6	3.6	3.6	3.6	3.8
NAVCADS	2.9	3.0	3.3	3.7	3.7	3.2
Total, Navy	725.7	686.5	688.9	672.3	672.3	664.0
Marine Corps	223.9	220.7	215.0	205.0	205.0	215.0
Air Force, excluding Aviation and Air Academy cadets	938.8	940.0	964.5	964.6	964.6	969.5
Aviation cadets	9.1	7.2	5.5	5.4	5.4	5.2
Air Academy cadets						.3
Total, Air Force	947.9	947.2	970.0	970.0	970.0	975.0

[1] Planned fiscal year 1955 end strength, but in any event not to exceed a maximum of 1,125,000.

The projected end strength as of June 30, 1956, represents an increase of 22,000 over the President's budget. This increase is attributed solely to the increase in Marine Corps strength voted by the Congress, the intent being to give the Marine Corps an end strength in 1956 no less than the strength approved for 1955.

The following tabulation details by service to number of Reserve personnel in drill-pay status and in total currently provided for and proposed for 1956.

Reserve components strength (personnel not on extended or continuous active duty)

	June 30, 1954		Jan. 31, 1955 (preliminary)		Service proposed program for fiscal year 1956			
					June 30, 1955		June 30, 1956	
	Total	Drill pay status	Total	Drill pay status	Total	Drill pay status	Total	Drill pay status
Total, Department of Defense	2,487,184	695,462	2,708,019	772,341	2,901,087	853,512	3,601,062	1,007,216
Army, total	1,447,460	455,518	1,747,293	496,102	1,895,483	553,700	2,262,590	644,000
National Guard	338,493	318,600	360,343	340,245	390,483	375,000	439,490	425,000
Army Reserve	1,108,967	136,918	1,386,950	155,857	1,505,000	178,700	1,824,100	219,000
Naval Reserve	595,359	139,199	480,959	143,636	482,864	149,374	638,537	169,820
Marine Corps Reserve	138,846	27,582	162,370	33,853	191,565	40,113	227,455	50,661
Air Force, total	305,519	73,163	317,397	98,750	331,175	110,325	471,480	142,735
Air National Guard	49,845	49,845	57,617	57,617	60,800	60,800	68,200	68,200
Air Force Reserve	255,674	23,318	259,780	41,133	270,375	49,525	403,280	74,535

CIVILIAN PERSONNEL

The budget and the bill provide for approximately 1,171,000 civilian personnel as of June 30, 1956. The estimated June 30, 1955, total is 1,181,000. Graded employees falling under the legislative ceiling limitation of 475,000 totaled 456,329 as of March 31, 1955.

It should be remembered that many of the civilian employees are so-called blue-collar workers who work in shops, shipyards, depots, gun factories, and so forth.

ARMY FUNDS PROVIDED IN BILL

The bill includes $7,329,953,000 for the Army, or about $289,114,000 less than in 1955. The House and Senate versions are substantially identical.

COMBAT STRENGTH

The program as budgeted will provide for a June 30, 1956, strength of 18 divisions, 11 regiments and regimental combat teams, 136 anti-aircraft battalions, and an active aircraft inventory of nearly 3,600.

DEPARTMENT OF THE NAVY

The principal difference between the House and the Senate as regards the Department of the Navy was in the size of the Marine Corps. The Senate added approximately $46 million to the bill to restore the Marine Corps military strength to 215,000 by June 30, 1956. The President's budget and the House bill had provided 193,000 for that date. The conference report embraces the Senate position on this matter.

The bill in final form provides for—

ACTIVE FLEET

Operation of an active fleet decreasing in number to 1,001 ships and vessels by the end of fiscal 1956 from an actual strength of 1,101 in December 1954 and 1,066 estimated at June 1955. Proposed personnel reductions cause the decrease of 100 between December 1954 and June 1956, most of which are transport and amphibious ships susceptible to rapid reactivation if necessary. Forces retained will be improved through receipt of new ships and newly converted ships from prior construction programs.

SHIPBUILDING

Continued construction is provided for to prevent mass obsolescence of the fleet some years hence. The 1956 program includes construction of 33 ships and vessels, including a fifth *Forrestal* carrier and 8 submarines of which 4 are to be nuclear-powered plus some 13,370 tons of landing craft. It also provides for conversion of 28 ships and vessels to help modernize the fleet.

Provision is also made for continued upkeep of the "mothball" fleet of approximately 1,700 ships and vessels.

NAVAL AVIATION

Operation of the recently authorized strength of 10,061 daily operating aircraft (out of the total of 13,027 active) as compared with 9,941 previously authorized operating planes. This allows for one additional carrier air group. Combat capabilities of the air arm will continue to improve during fiscal 1956 through delivery of more modern, higher performance aircraft previously funded.

The aircraft procurement program is designed to modernize and maintain the authorized forces. The amount provided, in combination with a large unobligated carryover available through extensive contract cancellations in the past year will finance procurement of about 1,600 new aircraft. Approximately $7 billion will be available for expenditure which is estimated sufficient to bring authorized forces to about 85 percent modernization status by December 1957, the end of the period through which deliveries are funded.

MARINE CORPS

The bill provides for continuation of 3 combat divisions and 3 combat air wings, together with training and supporting forces. As noted above, the fiscal bill provides for 22,000 more active-duty Marines than had been recommended in the President's budget.

AIR FORCE FUNDS PROVIDED IN BILL

In final form the bill provides $14,739,763,170 for the Department of the Air Force. This is $43,914,930 less than the budget estimates but $337,859,170 greater than the amount which passed the House May 12, 1955. The increase over the amount approved by the House is the net result of an increase of $356 million for the purpose of stepping up procurement of the B–52 heavy bomber, offset in part by several minor reductions made by the Senate. It should be pointed out that none of the changes made by the House in Air Force estimates were restored by the Senate. The increase was entirely for newly programed aircraft not presented to the House Appropriations Committee.

AIR FORCE BUILDUP

The amounts approved for the Air Force will provide for continuing expansion toward the goal of 137 wings by June 30, 1957, but more immediately for 131 wings by June 30, 1956. In addition, there is a continuing expansion in both size and capability of the back-up forces in the Air Reserve and Air National Guard.

OPERATING AIRCRAFT

Funds for the Air Force will provide for attaining by June 30, 1956 an overall strength of 975,000 officers and men; for an active aircraft inventory of 20,952; for flying those aircraft about 11.5 million hours; and for the operation of approximately 300 major Air Force bases and installations here and overseas. The funds also provide for procuring about 2,400 new aircraft for continuing the modernization of the Air Force.

CONCLUSION

Congress, in approving this conference report, will provide the President, generally speaking, with all necessary funds requested by him for our defense program for the fiscal year which begins tomorrow. Congress has made some savings as will be shown by the table which I have inserted, but the Congress has not reduced the military program of the President. It has rather increased it. It is true that the President did not send to Congress a formal supplemental budget for the accelerated bomber program, but the accelerated program was supported by the Secretary of Defense and by the Secretary of the Air Force in testimony before House and Senate appropriations committees, the Secretary of Defense assuring the Congress of the support of the President and the Security Council for the accelerated aircraft program.

Mr. WIGGLESWORTH. Mr. Speaker, almost every conference report represents compromise and this report is no exception to the rule.

I have signed the report because it reflects the best results obtainable under all the circumstances and not because I agree with all the decisions reached in conference.

I agree with the increase of $356 million for aircraft and related procurement to permit acceleration of our construction program by approximately 1 year.

In the light of development and information obtained by the Department of Defense, since the initial hearings on this bill before the Subcommittee on Appropriations for the Armed Services, I think the Secretary of Defense had no recourse other than to request additional funds for the purpose, and I believe that the Congress had no recourse other than to grant them.

I do not agree with the decision of the conferees to add some $46 million for the purpose of increasing military personnel in the Marine Corps, to 215,000 as compared with the figure recommended by the President of 193,000, and the figure of about 205,000 given as the actual strength figure for June 30, 1955. I do not think the increase agreed upon has been justified. I think the action taken is a mistake.

I have supported the force goals recommended by the President. The detailed testimony from the highest civilian and military sources over several months of hearings convinced me that we could safely rely upon them in the absence of new developments.

The program recommended by the President made provision for Marine personnel 2½ times that in the entire Marine Corps just prior to Korea. It made provision also for a 20 percent increase in the active Marine Corps Reserve during the fiscal year 1956, which just about equals the reduction contemplated in the regular force.

It is clear from the record that the force goal for the Marine Corps recommended by the President involves no material reduction in the fighting effectiveness of the operating forces.

The Secretary of the Navy stated specifically, "We can absorb adjustments in the Navy and Marine Corps by more efficient use of personnel and by streamlining base and shore facilities without materially reducing the striking power of the Fleet or the fighting effectiveness of the Marine Corps."

The figure recommended by the President was approved by Admiral Radford, chairman of the United States Joint Chiefs of Staff, by the Secretary of the Navy, by the Secretary of Defense, by the National Security Council, and by other high civilian and military officials.

It was submitted by the President with other forces goal figures after what he referred to as careful and prayerful consideration.

If there is anyone in America who should know how large a Marine Corps we require at this time it is President Eisenhower with his wide and brilliant military career.

The House conferees, in yielding to the Senate conferees have made funds available for military personnel in number 22,000 above that requested by the President, and 10,000 above that understood to constitute the present actual force.

I have seen nothing to justify such an increase.

While the figures, Mr. Speaker, indicate that the total carried by the bill as agreed to by the conferees is only $100,000 less than the total carried in the Senate bill, it is perhaps fair to point out that House rescissions in the amount of $230 million deleted in the Senate were restored in conference, and that despite substantial increases in the Senate, the bill is still some $350 million below the budget estimates.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 4, line 1, insert "and in addition not to exceed $200 million to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense and to be derived by transfer from such appropriations available to the Department of Defense for expenditure during the current fiscal year as the Secretary of Defense may designate."

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate No. 5, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert "and in addition not to exceed $50 million to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense and to be derived by transfer from such appropriations available to the Department of Defense for obligation during the current fiscal year as the Secretary of Defense may designate."

Mr. MAHON. Mr. Speaker, the House has already adopted the conference report, but I yield to the gentleman from Massachusetts [Mr. WIGGLESWORTH] who may wish to make some general statement in regard to this item or in regard to the general situation.

Mr. WIGGLESWORTH. Mr. Speaker, I should merely like to ask unanimous consent to extend my remarks immediately before the adoption of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that I may be permitted to extend my remarks immediately prior to the adoption of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I propose to place in the RECORD at that point a general analysis of the entire bill, the action of the conferees, and what the bill as finally agreed upon does, and provide general factual information which will be of interest to all Members of the House.

I now ask for a vote on the motion.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 8, line 16, insert the following: *"Provided,* That during the fiscal year 1956 the maintenance, operation, and availability of the Army-Navy Hospital at Hot Springs National Park, Ark., and the Murphy General Hospital in Boston, Mass., to meet requirements of the military and naval forces shall be continued."

Mr. MAHON. Mr. Speaker, I move 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. 20: Page 28, line 4, insert the following: *"Provided,* That not to exceed $55 million of the appropriation 'Maintenance and operations, Air Force, 1953' shall remain available until expended solely for the liquidation of obligations heretofore incurred against such appropriation for assist takeoff units and armaments."

Mr. MAHON. Mr. Speaker, I move 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. 33: Page 22, line 10, strike out section 638 and insert the following:

"SEC. 638. No part of the funds appropriated in this act may be used for the disposal or transfer by contract or otherwise of work that has been for a period of 25 years or more performed by civilian personnel of the Department of Defense unless certified by the Secretary of Defense and reported by him to the Appropriations Committees of the Senate and House of Representatives at least 60 days in advance that the disposal is economically sound and that the related services can be performed by a contractor without danger to national security."

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 33, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 638. No part of the funds appropriated in this act may be used for the disposal or transfer by contract or otherwise of work that has been for a period of 3 years or more performed by civilian personnel of the Department of Defense unless justified to the Appropriations Committees of the Senate and House of Representatives, at least 90 days in advance of such disposal or transfer, that its discontinuance is economically sound and the work is capable of performance by a contractor without danger to the national security: *Provided,* That no such disposal or transfer shall be made if disapproved by either committee within the 90-day period by written notice to the Secretary of Defense."

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this amendment ties up the Defense Department insofar as it relates to getting rid of any activity whatever until 90 days

after a report is presented to the appropriation committees of both the House and the Senate. I am not going to ask for a rollcall on this amendment but I think it is very undesirable and creates a great deal of embarrassment to the proper administration of the Defense Department. I hope that next year we can give it better consideration and, I hope, get rid of it entirely. I think it is a very bad situation.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. REES of Kansas. This keeps the Government in business rather than getting the Government out of business?

Mr. TABER. That is correct.

Mr. MAHON. Mr. Speaker, I personally feel and believe that the Members of the House feel that the Government wherever possible in the Defense Department should get out of business and turn over to free enterprise operations any facilities that safely and properly can be turned over to our domestic industries. I do not think this amendment should be interpreted as placing the Congress on record as in favor of the Government's getting deeper into business or staying in business unless it is urgently necessary. While this amendment is somewhat cumbersome, I think the Department of Defense can vile with it and under it continue to get the Defense Department out of business wherever such is desirable in the interest of national defense.

Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks at this point in the RECORD in regard to this measure.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SIKES. Mr. Speaker, first let me commend in highest terms the leadership of our distinguished Chairman, the gentleman from Texas [Mr. MAHON]. He has done an extraordinarily fine work in guiding this tremendous appropriations bill skillfully through the various phases of its passage. It is one of the few times in my service here that this big bill has been ready for final approval prior to the beginning of the new fiscal year. It is a good bill which will provide a high measure of defense through the coming year. In all its aspects, the good work of Congressman MAHON has stood out.

Reference has been made to the intent and effect of Section 638. There is no question of the wisdom of retaining this language. It is in no sense a hindrance to any proper attempt to get the Government out of business. It does provide safeguards in that the Congress must be informed of the details of such proposals. There is nothing new or startling in a suggestion that the Congress be advised of administrative procedures affecting the disposal of national assets or changing the perspective on national security. The taxpayers want this type of protection. I fear that those who oppose it are badly misinformed.

Mr. REES of Kansas. Mr. Speaker, I am concerned about the section of this bill that encourages agencies of the Government to continue to perform services that could just as well be performed by private industry. In many cases better performed by private industry.

The encouragement for the Government to perform such services when private industry could do it is not in my opinion for the best interest of our people. We have too much Government in business now, and not enough business in Government.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, the 83d Congress on July 24, 1954, daily CONGRESSIONAL RECORD, page 11382, under unanimous consent passed H. R. 9835, which was entitled "Termination of Federal Commercial Activities Act." The purpose as expressed in the declaration of policy carried in section 2 was as follows:

> The Congress hereby declares that the policy of the Federal Government should be at all times the encouragement of private enterprise. Certain activities of the Federal Government have developed which tend to discourage private enterprise, in that the Federal Government is engaging in commercial and industrial activities in direct competition with activities engaged in by private persons for profit. These commercial activities engaged in by the Federal Government deprive governments at all levels of tax revenues, and by competing with private enterprise, weaken the strength of our national economic system. It is therefore the purpose of this act to provide for the termination, to the maximum feasible extent, of all commercial activities engaged in by the Federal Government in the United States which compete with private enterprise.
>
> It is declared to be the policy of the Congress that the Federal Government shall not engage in business-type operations competitive with private enterprise except where it can be demonstrated that it is necessary for the Government itself to perform such operations in furtherance of national programs and objectives legally established.

So far as I have been able to learn the only objection raised to the purpose of the bill was that of a comparatively few Members who had in their districts a federally operated activity which admittedly was in competition with private enterprise but which because of local interests some Members desired be continued.

The bill itself was objectionable to many of us because section 6 carried a proviso "that nothing herein contained shall apply to any Government type operations being carried on on the effective date of this act."

Obviously that provision, which was a committee amendment to the bill, to a great extent nullified the purpose of the bill. However, those who supported it hoped and expected that the proviso would be stricken in the other body. The other body did not give consideration to the bill before adjournment.

The administration by Executive order is now attempting to carry out the policy enunciated in the bill.

More recently and on May 12, last, when H. R. 6042 making appropriations for the Department of Defense for the fiscal year ending June 30, 1956, and for other purposes was before the House, it carried what might properly be known as the Sikes declaration of policy. That was found in section 639 and it reads as follows:

> No part of the funds appropriated in this act may be used for the disposal or transfer by contract or otherwise of work traditionally performed by civilian personnel of the Department of Defense unless it has been justified before the appropriate committees of Congress that the disposal is economically sound and that the related services can be performed by a contractor without danger to national security.

The apparent purpose was to effectively prevent the administration from carrying out its policy of relieving private business from competition by tax-supported activities.

When the Committee of the Whole House on the State of the Union had the bill under consideration the gentleman from Georgia [Mr. VINSON]—CONGRESSIONAL RECORD, page 6240—offered an amendment to strike from the bill on page 50 all of section 639 just read.

The Committee, after the adoption of a perfecting amendment, agreed to the Vinson amendment by a teller vote of 160 to 134.

Subsequently, when the House had the bill up for final passage a separate vote was demanded on the Vinson amendment and the yeas and nays being taken, the Vinson amendment was rejected by a record vote of 202 nays to 184 yeas, with 48 Members not voting—CONGRESSIONAL RECORD, page 6247.

By that vote the House declared itself in opposition to the administration's policy of getting the Government out of business insofar as that policy affected the making of appropriations for the Department of Defense for the fiscal year ending June 30, 1956.

On that occasion the issue was just as clear as a noonday sun in a cloudless sky, or a full moon on a clear night.

It is my desire to go along with the administration on every possible occasion, with every legislative proposal.

That I will do except as I find those policies in conflict with deep and sincere convictions which I have held and expressed many times, not only by what has been said, but by votes which have been cast in this House.

Party loyalty, like many other things, is comparative. A casual glance back over the record at action on administrative policy will show that, on occasion, legislative spokesmen for the administration have exercised the right as well as the privilege to disagree with the administration.

Any other course would destroy representative government, thwart the will of the people, insure a dictatorship. A "yessing" Congress neither the President nor the people desire. Nor will the people in the end accept that kind of a legislative body.

The refusal of the House as it now considers the conference report to go on record by a yea and nay vote on amendment 33 as proposed by the Senate is an evasion of the issue which is: Shall the Government continue to engage in business which can be carried on by private enterprise without injuriously affecting our national defense and which tends to dry up the flow of tax dollars into the Federal Treasury?

A subcommittee of the Committee on Government Operations recently had before it a bill H. R. 279 to provide for the termination of Government operations which are in competition with private enterprise.

Again the subcommittee agreed to an amendment of section 6 which added to the proviso the statement that "nothing herein contained shall apply to any Government business-type operations being carried on on the effective date of this act."

The subcommittee finally submitted to the full committee a clean bill, H. R. 7032, in which the Lantaff amendment just quoted in my judgment defeats the purpose of the bill. It is a gesture toward the adoption of a sound policy which falls completely short of reaching its destination.

When the bill, H. R. 7032, comes before the full Committee on Government Operations it is my hope that it will be replaced by H. R. 279, with the Lantaff amendment stricken, but with an amendment which will adequately protect these long-established activities of the Federal Government which are necessary to economically provide a national defense.

What we have been doing has been playing Finnegan's game of on again, off again, getting nowhere.

Those who oppose H. R. 279 admit that the Government has no business in business except as it is necessary for national defense. But they say that the bureaucrats and some in the Department of Defense are acting arbitrarily, unreasonably, and without reason preventing the best possible national defense at the lowest possible cost.

With that statement no fault is now found, no criticism is made. It will be conceded that the professional bureaucrats and included in that are some in the armed services, are just as ambitious to extend their fields of operations, just as greedy for power, as are some who are engaged in private enterprise.

Somewhere along the line this House, or more preferably and more properly the Government Operations Committee, should be able to find within its membership some of sufficient ability and courage to formulate an amendment which will protect our national defense and yet effectively get the Government out of competition with tax-producing enterprises.

Permit me to go on record as being willing not only to talk about the Government getting out but to vote to get it out, as I did the other day. The political angle is not difficult to understand. Everybody wants to go on record as being opposed to the Government getting into business which takes away its source of revenue—that is, the tax dollars. But at the same time, some desire to hold the favor and support of a group of Federal employees who are working on these Government projects which should be carried on by private business. Do you see what is being done—playing both ends against the middle. We never get around to a decisive vote. Is it not time that we do take a definite position. Then implement it by action. It is my hope that within the next week or two we can bring before this Congress a bill which will implement the administration's policies.

Mr. MAHON. Mr. Speaker, the Defense Department officials are liquidating some of their business operations within the Department, and I hope that they will continue to liquidate them. It can be done under the procedure outlined in section 638, but the Congress will be conferred with before the liquidation is done. I think that this will work out. I believe the committee will give a very friendly hearing and every encouragement to any effort to get the Government out of unnecessary business.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield.

Mr. ARENDS. The gentleman said he hopes the Government will proceed to try to get out of business expeditiously. I think the majority of the Members of Congress agree to that. Do you think there is anything in this particular amendment that will in any way hamstring officials from doing exactly what we want them to do?

Mr. MAHON. I think not. It might be in some cases there will be some delay, but I am convinced that the Committee on Appropriations and the Congress generally will go along in getting the Government out of business, as the committee in many instances has done in the past and will do in the future. Many of the Members, of course, want to do that. In view of the circumstances, I think we can live with the section. I am certain of that. I am making these remarks in part for the benefit of the Department of Defense, and I think officials should not be discouraged in doing everything which is appropriate and in the best interest of the taxpayers and in the cause of national defense.

Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FLOOD], who has aggressively opposed efforts of the executive branch to reduce the Army and Marine strength.

Mr. FLOOD. Mr. Speaker, I am glad to see the conference has restored the cut made in the Marine Corps. I think, Mr. Speaker, that the House in its heart is really glad to know that the cut in the Marine Corps has been restored and that this great band of fighting men will be kept at the strength which they are today. We are just leaving them alone for at least another year. I believe that under all the circumstances, with the President himself approaching this very difficult period that he faces in this conference at the summit, his right arm is strengthened, as it should be, as we approach these difficult days. I think this has been a commendable action to know that this has been done.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Florida.

Mr. SIKES. I feel that strengthening the Marines is a most significant and important step. This great branch of the service is our first line of defense. I want particularly to pay tribute to my friend from Pennsylvania [Mr. FLOOD] for the great fight he has made to have this very thing accomplished. I think that his efforts have been outstanding, and that he, as much as any other, deserves credit for this fine step that is being taken.

Mr. FLOOD. Of course, I will listen to that all day, but under the circumstances, Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the motion.

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.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1956

Mr. RABAUT. Mr. Speaker, I call up the conference report on the bill (H. R. 6239) 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, and I ask unanimous consent that the statement of the managers 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 Michigan?

There was no objection.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1031)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6239) 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, 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 4, 15, 21, 37, 38, 39, 40, 41, and 42.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 14, 29, 30, 31, 32, 33, 34, 35, 36, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$18,000,000"; and the Senate 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 "$6,250,000"; 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 "$308,000"; 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: In lieu of the sum proposed by said amendment insert "$3,081,850"; 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 "$967,000"; 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 "$248,500"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$28,130,000"; 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 "$1,639,300"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,688,500"; 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 "$12,808,000"; 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 "$3,369,674"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$23,592,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,526,820"; 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 "$153,920"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,546,276"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$5,967,000"; 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 "$3,855,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,107,000"; 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 "$10,285,000"; 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 "$2,715,000"; 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 "$1,430,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$119,800"; and the Senate agree to the same.

LOUIS C. RABAUT,
OTTO E. PASSMAN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
EARL WILSON,
JOHN TABER,
Managers on the Part of the House.

JOHN STENNIS,
JOHN L. MCCLELLAN,
SPESSARD L. HOLLAND,
ALAN BIBLE,
ALBERT GORE,
EVERETT M. DIRKSEN,
MILTON R. YOUNG,
J. GLENN BEALL,
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. 6239) 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, 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:

FEDERAL PAYMENT TO DISTRICT OF COLUMBIA

Amendments Nos. 1 and 2: Appropriate $18,000,000 instead of $16,000,000 as proposed by the House and $20,000,000 as proposed by the Senate; and earmark $6,250,000 of the Federal payment for capital outlay instead of $5,500,000 as proposed by the House and $7,000,000 as proposed by the Senate.

OPERATING EXPENSES

Executive Office

Amendments Nos. 3 and 4: Appropriate $308,000 instead of $300,000 as proposed by the House and $364,900 as proposed by the Senate; and strike out language earmarking $50,000 for regulating the election of District of Columbia delegates to national political conventions as proposed by the Senate.

Department of General Administration

Amendment No. 5: Appropriates $3,081,850 instead of $3,021,850 as proposed by the House and $3,135,560 as proposed by the Senate.

Office of Corporation Counsel

Amendment No. 6: Appropriates $442,900 as proposed by the Senate instead of $427,000 as proposed by the House.

Compensation and Retirement Fund expenses

Amendment No. 7: Appropriates $10,036,000 as proposed by the Senate instead of $9,936,000 as proposed by the House.

Regulatory agencies

Amendment No. 8: Appropriates $967,000 instead of $958,000 as proposed by the House and $991,420 as proposed by the Senate.

Department of Occupations and Professions

Amendment No. 9: Appropriates $248,500 instead of $240,000 as proposed by the House and $253,030 as proposed by the Senate.

Public schools

Amendment No. 10: Appropriates $28,130,000 instead of $27,996,810 as proposed by the House and $28,285,968 as proposed by the Senate.

Public Library

Amendment No. 11: Appropriates $1,639,300 instead of $1,620,000 as proposed by the House and $1,641,000 as proposed by the Senate.

Recreation Department

Amendment No. 12: Appropriates $1,688,500 instead of $1,678,000 as proposed by the House and $1,694,000 as proposed by the Senate.

Metropolitan Police

Amendment No. 13: Appropriates $12,808,000 instead of $12,781,000 as proposed by the House and $12,826,000 as proposed by the Senate.

Veterans Service Center

Amendment No. 14: Appropriates $92,200 as proposed by the Senate instead of $90,000 as proposed by the House.

Office of Civil Defense

Amendment No. 15: Appropriates $75,000 as proposed by the House instead of $100,000 as proposed by the Senate.

Courts

Amendment No. 16: Appropriates $3,369,674 instead of $3,300,000 as proposed by the House and $3,374,000 as proposed by the Senate.

Department of Public Health

Amendment No. 17: Appropriates $23,592,000 instead of $23,492,000 as proposed by the House and $23,687,564 as proposed by the Senate.

Department of Corrections

Amendment No. 18: Appropriates $4,526,820 instead of $4,520,000 as proposed by the House and $4,533,640 as proposed by the Senate.

Office of Surveyor

Amendment No. 19: Appropriates $153,920 instead of $148,920 as proposed by the House and $158,920 as proposed by the Senate.

Department of Licenses and Inspections

Amendment No. 20: Appropriates $1,546,276 instead of $1,482,000 as proposed by the House and $1,589,276 as proposed by the Senate. The conferees are in agreement that of the sum appropriated $21,276 is to be used for essential repairs and replacements for the Eastern and Western Markets, and that their action on this item is based on the testimony and statements presented to the Senate committee relative to the tenants' agreement to the increased rental schedule for these two markets.

Department of Highways

Amendments Nos. 21, 22, and 23: Restore language stricken by the Senate relative to charges for electric service; appropriate $5,967,000 instead of $5,876,000 as proposed by the House and $6,057,981 as proposed by the

Senate; and provide that of the sum appropriated $3,855,000 shall be derived from the highway fund instead of $3,850,000 as proposed by the House and $3,859,981 as proposed by the Senate.

Department of Vehicles and Traffic

Amendment No. 24: Appropriates $1,107,000 instead of $1,094,000 as proposed by the House and $1,119,500 as proposed by the Senate.

Department of Sanitary Engineering

Amendments Nos. 25, 26, and 27: Appropriate $10,285,000 instead of $10,255,000 as proposed by the House and $10,291,890 as proposed by the Senate; and provide that of the sum appropriated $2,715,000 shall be derived from the water fund instead of $2,720,000 as proposed by the House and $2,703,928 as proposed by the Senate; and provide that of the sum appropriated $1,430,000 shall be derived from the sanitary sewage works fund instead of $1,445,000 as proposed by the House and $1,415,122 as proposed by the Senate.

National Guard

Amendment No. 28: Appropriates $119,800 instead of $114,800 as proposed by the House and $122,300 as proposed by the Senate.

National Zoological Park

Amendment No. 29: Appropriates $669,300 as proposed by the Senate instead of $645,000 as proposed by the House.

CAPITAL OUTLAY

Public building construction

Amendments Nos. 30, 31, and 32: Appropriate $7,544,400 as proposed by the Senate instead of $6,235,400 as proposed by the House; and provide that of the sum appropriated $3,091,900 shall not become available for expenditure until July 1, 1956, as proposed by the Senate instead of $2,459,900 as proposed by the House; and provide that of the sum appropriated $439,050 shall be available for construction services as proposed by the Senate instead of $405,050 as proposed by the House.

Capital outlay, miscellaneous

Amendments Nos. 33 and 34: Appropriate $1,260,300 as proposed by the Senate instead of $3,760,300 as proposed by the House; and provide that of the sum appropriated $360,000 shall not become available for expenditure until July 1, 1956, as proposed by the Senate instead of $2,419,000 as proposed by the House. The managers on the part of the House have agreed to the Senate reduction of $2,600,000 in the House allowance for the construction of the Youth Correctional Center with the understanding that the appropriation provided for this purpose will not delay the construction of this building to any appreciable extent.

Department of Highways

Amendments Nos. 35, 36, and 37: Appropriate $13,535,000 as proposed by the Senate instead of $11,205,000 as proposed by the House; and provide that of the sum appropriated $13,135,000 shall be derived from the highway fund as proposed by the Senate instead of $10,805,000 as proposed by the House; and strike out language proposed by the Senate prohibiting the construction of a draw-type bridge over the Potomac River and authorizing a change in the site of the bridge if agreement to that effect can be reached prior to August 1, 1955.

GENERAL PROVISIONS

Amendment No. 38: Restores language proposed to be stricken by the Senate relating to charges for electric service furnished by the Potomac Electric Power Co. to the District Government.

Amendments Nos. 39, 40, 41, and 42: Restore section numbers.

LOUIS C. RABAUT,
OTTO E. PASSMAN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
EARL WILSON,
JOHN TABER,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RABAUT. For the RECORD, Mr. Speaker, I would like to submit some financial information on the District of Columbia appropriation bill for 1956 which the House has just passed.

The House considered budget estimates in the amount of $175,405,300, $134,925,600 for operating expenses and $40,479,700 for capital outlay. As the bill passed the House it provided $132,595,280 for operating expenses and $34,306,500 for capital outlay.

The Senate increased these amounts to the following figures: $134,011,249 for operating expenses and $35,445,500 for capital outlay.

The conference committee resolved the differences between the two Houses and provided the following amounts: $133,397,940 for operating expenses and $35,445,500 for capital outlay.

A table depicting congressional action on the bill is as follows:

Item	Budget estimate 1956	House allowance	Senate allowance	Conference allowance
Operating expenses	$134, 925, 600	$132, 595, 280	$134, 011, 249	$133, 397, 940
Capital outlay	40, 479, 700	34, 306, 500	35, 445, 500	35, 445, 500
Total	175, 405, 300	166, 901, 780	[1] 169, 456, 749	168, 843, 440

[1] Includes $56,720 not considered by the House.

COMMITTEE ON APPROPRIATIONS MEETING

Mr. TABER. Mr. Speaker, the Committee on Appropriations was adjourned until 11:30, but I understand they are going to meet right away and finish up some things that have to be done.

The SPEAKER. That is perfectly satisfactory to the Chair.

MUTUAL SECURITY ACT OF 1954

Mr. HAYS of Arkansas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2090) to amend the Mutual Security Act of 1954, and for other purposes.

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 further consideration of the bill S. 2090, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 5, ending on line 9, page 6, of the bill. Are there further amendments to this section?

Mr. FEIGHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN: On page 5, line 21, strike out the comma and the word "or" where they appear after the phrase "give such assistance", and insert in lieu thereof "and."

Mr. FEIGHAN. Mr. Chairman, this amendment involves the change of one word only; it deletes the word "or" and substitutes the word "and" in paragraph 10 of section 142 of the Mutual Security Act which appears on page 52 of the majority report.

I believe all the Members of Congress are vitally interested in making certain that all the foreign aid and assistance we give is used in accordance with the provisions of the law governing them and in the interests of the security of the United States and the free world.

This amendment has to do with making certain that the United States maintains the right to inspect the use of all assistance given to a foreign country; and, in addition, the executive branch of the Government assumes full responsibility for seeing that the right of continuous observation and review by United States representatives of the program of assistance authorized under this title are carried out.

I hope there will be no objection to the fundamental right of the United States to full inspection of the foreign-aid programs which we finance. It is quite possible that the language as it now appears is inadvertent and that due to an oversight it has not been corrected up until now.

I hope the members of the committee will accept my amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I am glad to yield to the very able gentleman from Minnesota.

Mr. JUDD. I find myself in agreement with the gentleman's amendment. I hope it will be accepted.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I am happy to yield to the very distinguished, able chairman of the committee.

Mr. RICHARDS. I think the bill as written does what the gentleman wants to do. The effect of the gentleman's amendment, if anything, is to tighten up the requirements of examination to see what is being done with this mutual security aid.

I will not object to the gentleman's amendment.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the distinguished gentleman from Connecticut.

Mr. MORANO. I agree with this amendment. We have had testimony before our committee which indicated that some countries do not permit adequate inspection, so we do not know what is being done with our mutual assistance aid to them. I think the amendment is a good one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. FEIGHAN].

The amendment was agreed to.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On page 5, line 21, before the word "insert", insert the following: "; strike out the semicolon at the end of paragraph 3 and insert the following: ', and only so long as it shall waive all criminal jurisdiction over personnel of the Armed Forces of the United States stationed in such nation as a result of such treaties or agreements.'."

Mr. BUDGE. Mr. Chairman, the Members will recognize this amendment which was adopted overwhelmingly by the House, that is in principle at least, when the gentleman from Ohio [Mr. Bow] offered his amendment to the military Reserve training bill. There was objection to the language offered by the gentleman from Ohio [Mr. Bow] in that it would require renegotiation of all these treaties which we have with nations all over the world.

In that I feel that objection to have been eliminated in the amendment now before you, I wish to call the attention of the Members particularly to the language which I propose here this morning and which I hope the committee will see fit to accept. The language simply says that in order to qualify for assistance under this program, the foreign nations shall receive the assistance only so long as they waive all criminal jurisdiction over the personnel of the Armed Forces of the United States stationed within the boundaries of the nation receiving the assistance. That has been in the main the policy which has been followed by most of the nations wherein American troops are stationed.

Mr. Chairman, may I say incidentally that we have troops at the present time stationed in approximately 40 nations all over the world, most of which nations have no concept of the American form of justice, most of whom have an entirely different criminal code for punishment for different offenses, and none of whom adhere to the constitutional guaranties of a fair trial which is one of the most valuable birthrights of every American citizen. Other nations try to preserve the customs of their nations with which our personnel in the Armed Forces cannot be familiar.

In the past few years there have been some 7,400 offenses committed against the laws of other nations by the armed personnel of the United States. In all but 178 cases there has been no sentence of confinement by a foreign nation. There are as of the 1st of February of this year 58 members of the Armed Forces of the United States incarcerated in the prisons of foreign nations. This amendment is directed at stopping the imprisonment of the 58 and the ones who may be sentenced in the future.

I can think of nothing more reasonable than to say to the troops of this Nation, most of whom are draftees sent abroad against their will, that as long as you are serving under the flag of the United States we will continue to provide you with your constitutional guarantees of trial in the American way and not in the foreign way of nations to which we may send you for the convenience and the protection of these United States. I think it is entirely reasonable to expect these nations and every one of them to waive criminal jurisdiction over our boys so long as they are receiving military and financial assistance from the Government of the United States. If our assistance is not that much appreciated it should not be voted in this bill.

Mr. Chairman, I point out again that the language which is here proposed will not require the renegotiation of any treaty; it will not require these nations to agree to anything by way of treaty or agreement. It simply requires them to continue the policy which most of them have adopted in the past that when an American boy stationed in that nation is charged with a criminal offense under the laws of that country, he will be turned over to the military forces of the United States of America to receive such punishment as under our American system he may be entitled to receive.

I sincerely hope that the members of this committee will see fit to adopt the language of my amendment. It is about all that we as Members of this Congress can give to the servicemen we are sending overseas and to the families of those servicemen who remain at home. Again, may I say that I hope the committee will adopt my amendment. To do otherwise would not be to keep faith with the millions of American boys now wearing and those who will wear the military uniforms of this great Nation.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from New York.

Mr. DORN of New York. I want to join in the gentleman's remarks and endorse them. The gentleman certainly has done, I think, a great service in bringing this out today.

Mr. BUDGE. I very much appreciate the gentleman's statement.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I find myself joining with practically every other Member of this House, I am sure, in agreement as to the desire to protect American boys from unjust foreign laws when they have to go abroad either in our own forces or as instructors in connection with the forces of other countries. If this amendment is adopted, it will fly right in the face of the status of forces treaty ratified by the Senate in 1953. It is just as simple as that. Now, if American boys are being unjustly treated in foreign courts, the matter should be looked into—there is no question about that—treaty or no treaty.

Now, I thought when the Bow amendment, which deals with the same subject, was being proposed to the Reserve Act, that it was out of place in that act. I promised our colleague, the gentleman from Ohio [Mr. Bow], and also assured the chairman of the Armed Services Committee that as soon as the mutual security legislation was out of the way, I would schedule a hearing on the Bow amendment to find out the truth about this situation. We want to get to the bottom of it; to see whether our boys were being discriminated against under this act. If you put it in this act, you are practically going to stop the foreign-aid program. You are not only going to do that, but you are going to stop some of our own defense operations in certain foreign countries where we have airfields for our own strategic air force. Nearly everyone agrees that these operations are essential to the defense of the United States.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. That amendment had no place in the Reserve bill which came up the other day. It is a matter that should be worked out at once by the gentleman's committee. Whatever discrimination there is ought to stop, because we are sending some of these men over there against their own will. We should take needed action at once. This had no place in the Reserve bill or the defense bill and would tie down the use of the military in any great emergency should we have occasion to send men to different parts of the world. The treaty approved by the Senate should never have contained this provision. We should work this out and protect our American boys.

Mr. RICHARDS. I am glad the gentleman agrees with me. If it has no place in our Reserve bill, it has no place in this bill. The issue should be raised on its own merits and with an eye toward protecting the boys serving overseas. I promise to hold a hearing on that, but I do not know what the committee will do beyond that. I assure you it will not be a whitewash hearing.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Idaho.

Mr. BUDGE. I am sure the distinguished chairman of the Committee on Foreign Affairs wants to present this thing in its true light. I call the attention of the distinguished chairman to the fact that this amendment does not have the same effect as the Bow amendment. It says only that they shall receive the aid only so long as they, in fact, waive jurisdiction over our boys. That does not require any amendment by any nation. It is an accomplished fact. If they continue to turn them over to the courts-martial, they continue to receive the aid. That is all it does.

Mr. RICHARDS. It calls for us taking a different position than we did under the treaty. The issue is the same. We do not want to tack a provision on any bill of this nature when we have not taken testimony on the issues involved. We have not heard testimony from our own people, including soldiers who might have been involved in some trouble overseas. We should meet the issue squarely. I hope the amendment will be voted down.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

There is going to be a meeting at the summit on July 18. One of the things I hope our leaders will point out is the continued violation by the Soviets of the 52 solemn treaty agreements that they have made.

This amendment provides that unless the nations involved in our mutual-security arrangements agree to waive their solemn treaty rights, the program stops.

Molotov in his speech in San Francisco made it perfectly clear that one of the primary purposes of Soviet diplomacy is the withdrawal of American troops from foreign bases.

These countries that are involved by this amendment—there are 11 NATO countries that have treaties and there are 6 agreements other than treaties in other areas—they are not going to waive in toto their right to any criminal jurisdiction whatsoever over American forces, when they are on leave and when they are out among their civilians, and so forth. So that the result of this amendment would be to stop the aid, or at best a threat to stop the aid through a unilateral requirement of a change in a solemn treaty obligation. The result might be as Molotov desires, to require withdrawal of our troops from countries because they cannot have the consideration that this amendment would require them to have.

This is a difficult question. Of course we want our American boys to have a fair trial. The status-of-forces treaties were designed to require that. There are many cases which the status-of-forces treaties do not cover. The jurisdiction which foreign countries will have over Americans is limited to offenses committed off duty and not against other Americans in the Armed Forces or civilian components. American jurisdiction is retained for offenses against the property and security of the United States and against the person or property of another member or dependent of the United States Armed Forces or civilian components.

But under these treaties the American on trial in a foreign country will have all the rights to which a citizen of the country in question is entitled. Specifically, according to the treaties, he must be accorded such rights as a prompt and speedy trial; to be confronted with the charges and witnesses against him; to subpena witnesses in his own behalf; and to be represented by counsel, to have an interpreter, and to communicate with his Government.

The chairman of the Committee on Foreign Affairs has agreed that the Bow resolution which is directed to this matter shall have prompt study by our committee. Obviously there could not have been such a study in the past few weeks when we have been wrestling with this bill. I had understood that it was agreed by proponents of this amendment that that sort of study is the right way to approach this knotty matter, the proper way to consider whether Congress, by a law, abrogates a treaty; as to whether and how we should attempt to express our views as to what should be done by the House to provide security for the individual Americans in the Armed Forces, along with security for our country. I am perfectly confident that the wrong way to consider this knotty question is to put into effect at a time like this a requirement of a waiver of solemn rights when we are at the very summit going to have as one of our bases of criticism the refusal of the Soviets to recognize and honor their treaty rights.

I hope the amendment will be defeated.

Mr. DODD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when the Bow amendment to the Military Reserve bill, which is essentially the same as this amendment, was before this House, I spoke in favor of the Bow amendment. I have not changed my mind in any respect about the need for correction and change in these treaties. I have some grave doubt, however, that this is the place to do it. I do not believe we can best attain our objectives by writing this amendment to this bill at this time.

We were told when the matter was raised as we were considering the Military Reserve bill that it did not belong there. I do not know where else it would better belong than in a Military Reserve bill. I expect that if an effort is made to put it into other related legislation we will always be told it does not belong there. These are superficial objections. But it obviously belongs somewhere and to end such kind of objections, I think the chairman of our committee has adopted the right course of conduct. He has told the people who are interested in this corrective legislation that our Committee on Foreign Affairs will hear this matter and look carefully into it. I am satisfied that is the right way to proceed, and I hope the House will not approve this amendment today, but rather let the matter come before our committee in the form of the resolution offered by the gentleman from Ohio [Mr. Bow]. Then we can have hearings and we can get to the bottom of the matter. I assure the gentleman I shall do everything I can to see that we do get a thorough and complete hearing and that we get an opportunity to do something about this outrageous situation.

This started back in 1951 when we negotiated the first of these treaties, and it has grown apace ever since. There is no sense in it at all. There is no sense in a great Nation like ours acting in this fashion. Our people are entitled to the protections of the Constitution of the United States when they are abroad helping to defend us and our friends. When we ask them to go out of this country not of their own choice but at the command of the Government, I see no reason in the world for not making doubly sure that their constitutional rights are protected. That is essentially all this amendment does and all it wants to do. That is what the Bow resolution wants to do, and I think we can get somewhere with it in the Committee on Foreign Affairs at a later date.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. If this does come before the committee separately, just what kind of penalty would you hang on it to make foreign nations respect it? If we do not limit the foreign-aid bill by making them keep our boys out of the criminal courts, if we do not tack this provision onto the Military Reserve bill, what sort of penalty will there be? A law is not worth anything unles there is a penalty for its violation. What do we propose to do about it?

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DODD. Let me answer the question of the gentleman from Missouri and then I will yield to the gentleman from Ohio.

Mr. CHRISTOPHER. I am asking for information, I am not heckling.

Mr. DODD. I understand that and I am glad to answer the question.

I do not consider this to be legislation that requires a penal provision. What we are trying to do here is bring to the attention of the executive department of the Government, and of the other body, the fact that there have been treaties negotiated and signed on the part of this Government with other governments which we feel should never have been negotiated and which never should have been signed and which the executive department should promptly take steps to correct. I think that is all we can hope to do, because constitutionally the responsibility for treaty making does not rest with us, it rests with the Executive, with the approval of the other body.

Now I yield to the gentleman from Ohio.

Mr. VORYS. While it is true that we have only the Bow resolution before our Committee on Foreign Affairs, if our committee sponsors the resolution and then determines after thorough examination that an amendment to the law is the way to reach this, a bill could be introduced. Is not that correct?

Mr. DODD. Yes.

Mr. VORYS. Our hands are not tied merely because we make a study of such a resolution.

Mr. DODD. I quite agree. That is why I think the better way to do it is for the Bow resolution to come before the committee.

Mr. VORYS. I thoroughly agree with the gentleman.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I think that probably the turn of events which we are witnessing here will result in a situation which will be on the plus side. Since these status-of-forces treaties have been negotiated and ratified by the other

body, there have been many things said and written in this country with respect to those treaties and the treatment accorded to American civilians and servicemen abroad by reason of the treaties. I recall very well the very eloquent speech by the gentleman from Connecticut in favor of the Bow amendment when we had the Reserve bill before us previously. As he has indicated, and I think it is entirely proper, the House Committee on Foreign Affairs should make a study of these treaties and find out just what substance and importance there may be to some of these charges that have been made. Here is the situation which immediately confronts us with respect to this amendment.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BUDGE. Suppose that the House Committee on Foreign Affairs studies this, would the gentleman from Indiana take the position that the House can pass legislation which would change those treaties?

Mr. HALLECK. The gentleman has asked me the question and I shall undertake to answer it. I do not think, although I have not gone into it carefully, that legislation by the House of Representatives could change the situation. But this is what I would like to point out. I think every one of us ought to understand that, whether you like the status-of-forces treaties or not, and whether you think they are good or bad, they are solemn obligations negotiated by the executive branch of our Government and ratified by the other body by a vote of 72 to 15. These treaties run until 1958, if I remember correctly, when they will be subject to reconsideration. Certainly, if they are solemn obligations of the Government of the United States, then this is no way, as I see it, to undertake to nullify them. If I understood the gentleman from Idaho correctly, and he knows he has no better friend in the House of Representatives than he has in me, because I hold him in high esteem and respect, if I understood the gentleman correctly he contends that since this only requires a waiver of provisions of the treaty that it does not impose any new obligations. As I read this amendment, it would require not the individual waiver which he says has been accomplished in all but 178 cases out of 7,416, but it would require a blanket waiver of the treaty obligations. To my mind, that could only mean that if a nation where we have troops stationed, as has been pointed out, and where we may have Air Forces stationed in positions of extreme importance to the defense of our country, if such a nation refuses to grant that blanket waiver, then, as I see it, there will be no alternative for us but to pull our forces out of that area.

That could seriously, vitally, and adversely affect the defense of our country. Three-quarters of the money provided in this bill which we are presently considering is for direct military assistance, direct military operation, or defense support bearing on the security of this country. So, we approach the matter, as I see it, on the basis of the defense of our country.

If one is against the whole program, or if he is against the whole Reserve bill, then I suppose that on occasion he might be led to say: "Well, if the adoption of this amendment kills the program, as far as I am concerned it is all right." Perhaps that would be the legitimate way to do it. I would not quarrel with anyone who took that position; but, on the other hand, if you believe that this program is essential to the defense of our country, and I happen to believe that these off-shore operations in this day of airplanes flying 700 and 800 miles an hour, is vital to our defense—if you believe that, as I do, then I say that we ought not destroy the program. I yield to no one in my solicitude for the men in our Armed Forces or our civilians, wherever they may be.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent (at the request of Mr. RICHARDS) Mr. HALLECK was granted 1 additional minute.)

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RICHARDS. Aside from the point that many of us consider this program to be essential to the security of the United States, is it not a fact that at the coming Big Four Conference there very probably will be discussed the repudiation of agreements and treaties that have been solemnly signed by certain groups of nations in the world? What kind of position would we be in if we said by legislation of this kind, in effect violate the spirit of the law of our land. The Supreme Court has held that treaties are the law of the land.

Mr. HALLECK. I think it would seriously jeopardize the strength of our position. I agree with the gentleman that through recent years one of our major complaints has been the people with whom we have made treaties have failed to keep those treaty obligations.

I wish to commend the chairman of the committee for saying that he will hold these hearings. I think it will be good for the country. It will develop a better understanding. Let us get some of these cases before us and find out whether our boys have been unjustly punished, whether their rights have been violated, and then we will have the true story.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HALLECK] has again expired.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Idaho [Mr. BUDGE]. One of the 58 cases outlined by the gentleman, of where American troops are serving prison terms, is the case of Pvt. James S. Scarf, of Mount Clare, W. Va. In this instance he is serving 5 years at hard labor in Japan on a charge of unarmed robbery, a much more severe penalty than he could possibly receive if he were tried in the civil courts of his own State of West Virginia.

The distinguished gentleman from Connecticut [Mr. DODD], in discussing this matter, charges the State Department with responsibility for negotiating certain treaties that contain this provision, and suggests there is little the House can do about it.

The distinguished gentleman from Indiana, the minority whip, says the House is powerless to do anything about it in the way of legislation. That leaves us only one alternative, Mr. Chairman, and that is that we do something about it today.

They suggest that the authority of the executive department is supreme in the question of treaties and that authority rests with the United States Senate to approve those treaties—I speak of the Senate, I should refer to it as "the other body."

Let me remind you that the House of Representatives is a part of the Congress and controls the purse strings. If we desire to attach a proposal to this authorization for an appropriation I think it is perfectly within the right of the House to do so and I think they should do so. For that reason I propose to support the amendment.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. DIES. Does the gentleman believe that the donor has the right to attach any condition he sees fit to the donation?

Mr. BAILEY. That is right.

Mr. DIES. If the foreign countries do not want this money we are so anxious to let them have, they can reject it; there is no hardship, so there is no violation of treaty; is there?

Mr. BAILEY. The only thing they would have to do is to quit trying our boys in their civil courts.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. I am just wondering if any of these gentlemen over in the other body who approved this agreement ever visited a Japanese jail or jails in Western Europe where the gentleman's constituent is serving, and inspected conditions there before they put their names to this kind of agreement.

Mr. BAILEY. I doubt very seriously that they did.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the author of the amendment.

Mr. BUDGE. There has been considerable comment here by the chairman of the committee and the gentleman from Indiana. I have the highest regard for both the gentlemen. They argue that the adoption of this amendment would in some way abrogate these treaties. It would do no such thing. The amendment provides simply that if in fact these countries live up to the proviso written here then they shall continue to receive the foreign aid; if they do not, then, of course, it would be cut off; but it does not require an agreement, does not require the abrogation of any agreement; it simply requires that

an additional condition be placed upon the country in order that it receive this aid, that they not try our boys in their courts.

Mr. BAILEY. And that condition is that they desist from their present practice of trying American military personnel in the civil courts of their country if they want to participate in this aid program.

Mr. BUDGE. That is exactly true; and most of the countries have not seen fit to try our boys in their courts; it is only a minority of the countries that have done so.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. HALEY. Inasmuch as this aid is going to India and other countries in that area of the world, what if one of our boys should kick one of the sacred cows of India; do you suppose the courts there would be as lenient, for instance, as the courts of our country?

Mr. BAILEY. They probably would shoot him at sunrise or burn him at the stake.

Mr. RICHARDS. Mr. Chairman, I want to see if we can reach an agreement as to time. A great number of Members will have to go to lunch around 1 o'clock or something like that. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Chairman, I object and offer a preferential motion.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Chairman, I object and offer a preferential motion.

The CHAIRMAN. Objection is heard.

The Clerk will report the motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. Mr. Chairman, we are getting another treatment here today from people who say that in principle they are for something but want some committee to give it a little more study. Let us be in principle for something they say, but let us deal in words and not in deeds. The anticolonial amendment came up for consideration yesterday and everybody was for it in principle, including the members of the Committee on Foreign Affairs, but it was a different story when the vote was taken.

The gentleman from Indiana came down in the well of the House a few minutes ago and supported the committee in opposition to the amendment offered by the gentleman from Idaho. I well recall a day about a year ago when the same gentleman from Indiana came down to the same well of this House and supported a bill to provide, believe it or not, that American servicemen or civilians, once returned to this country after having perhaps committed a misdemeanor in some foreign country, could be returned to that country for trial and imprisonment. The House defeated that bill overwhelmingly.

Mr. Chairman, I want to compliment the distinguished gentleman from Idaho on the amendment which he has offered and which I wholeheartedly support.

It is unthinkable that the NATO Status of Forces Treaty, with its criminal jurisdiction provision, and similar agreements, were entered into in the first place, and as long as they remain in force the Constitution of this Republic has been rendered meaningless as far as many of our servicemen are concerned.

It is interesting to note the discussion in the other body 2 years ago—on July 14, 1953—when that body was in the process of ratifying the NATO Status of Forces Agreement. Assurances were given that this was not setting a precedent. We were to have such an agreement only with the other NATO countries, no one else.

On page 8730 of the CONGRESSIONAL RECORD for July 14, 1953, appears the following statement by the chairman of the Foreign Relations Committee of the other body:

As an additional step, the committee is recommending that the Senate attach to the resolution of ratification a statement that, first, the criminal jurisdiction provisions do not constitute a precedent for future agreements.

And on pages 8738 and 8739, the acting majority leader of the other body said:

The Committee on Foreign Relations made it very clear during the course of the hearings, it seems to me, that so far as we were concerned it is not to be considered as a precedent for future agreements.

Well, what are the facts? Did the NATO Status of Forces Treaty set a precedent? I am confident that many Senators voted for ratification of the treaty at that time only because of the assurances that it would not set a precedent. But, Mr. Chairman, the NATO Status of Forces Treaty did set a precedent.

Since that time, and through agreements which have not required ratification by the other body, we have entered into similar pacts with at least four other countries.

I say at least four other countries, because for reasons best known only to the State Department, information on what the diplomats in the Department call "arrangements" with several other countries is not available to Members of Congress or the American people.

Replying to my inquiry concerning agreements which allow American servicemen to be tried in foreign civil courts, a State Department official told me, among other things:

The United States has concluded a few other arrangements, but which, in the national interest, are classified.

In other words, we are told that it is not in the national interest for Members of this Congress or the American people to know the exact number of countries in which our servicemen can be hauled before a foreign judge and tossed in a foreign prison.

Getting back to the four other countries which I know of, besides the NATO countries, our servicemen are subject to trial in the civil courts of Japan, Saudi Arabia, Libya, and Iceland.

There is another interesting aspect to the debate in the other body on July 14, 1953. On page 8779 of the CONGRESSIONAL RECORD for that date there appears the text of a letter which the acting majority leader inserted. I quote the second paragraph of the letter:

I can certainly appreciate the concern of those who fear that these agreements might subject American soldiers overseas to systems of criminal justice foreign to our own traditions. I do not share such fears, however, because of the many years' experience I have had in command of American troops overseas. That experience convinces me that our friends abroad will continue to cooperate, as they have in the past, in turning over those charged with offenses against their laws to our own military courts for trial.

According to the CONGRESSIONAL RECORD, that letter was signed: "Sincerely, Dwight D. Eisenhower."

Have our so-called allies cooperated with us? Have they turned over all of our servicemen to our own military courts for trial?

The Department of Defense has reported that as of February 10, 1955, there were 58 American servicemen in the prisons of 5 foreign countries, serving sentences ranging up to 15 years.

Mr. Chairman, I am convinced that the sentiment of the American people is strongly opposed to these agreements, and rightly so.

The criminal jurisdiction provisions of the Status of Forces Treaty and similar agreements are unprecedented in the annals of international law; they are contrary to the doctrines of our constitutional law. All such agreements should be renounced, and jurisdiction returned to our own military authorities in cases where American servicemen commit offenses in foreign countries.

Certainly we owe at least this much to the young men of America who will be called upon, if necessary, to fight and die to defend the Constitution of this Republic.

Mr. Chairman, I urge all Members to support the amendment offered by the gentleman from Idaho.

Mr. LONG. Mr. Chairman, it's easy to become frightened here in the House listening to the buildup which is calculated to stampede one into accepting a proposal which otherwise would be out of the question. Every time a bill connected with the military comes up, we hear a lot of talk about the dire consequences to befall us if we do not go along with some idea to appease a foreign country, some idea to ingratiate ourselves. Well, I will tell you that I have never been afraid when it comes to a measure designed to protect and care for our boys here at home or abroad. I cannot help but wonder about this business of a fair trial. It seems to me that history is full of persecution which played a strong part in the establishment and growth of our own wonderful America. It played a strong part in establishing the freedoms which are so

cherished by all Americans. Our sons have been brought up to understand and respect the rights of man and to know their own personal rights and liberties are secure. I say it's a breach of faith to turn our sons loose upon the mercy of courts which have a history of intolerance and persecution; a history of precedents quite different from ours here in America—of concepts of jurisprudence far removed from what we know and understand here in America. After all, our soldiers are United States citizens and as such entitled to the rights and privileges of our citizens. I say we are violating their birthright to turn them over to the courts of foreign lands to mete out their brand of justice which, in many instances, is strange and harsh far beyond what we can understand. We talk about our soldiers having a fair trial for infractions of the law. Oh yes! In some of these countries they do not understand the meaning of the word fair. How many will be faced with their accusers? How many will have a jury trial of 12 of their peers? Will they be presumed to be innocent until found guilty, or the opposite? These nations have their hands out for our money and they do not hesitate to grab all they can get. As far as I am concerned, those countries will have to come to us insofar as the treatment of our soldiers is concerned and let them understand that our soldiers shall have their full rights as guaranteed to each of our citizens by the Constitution.

Any soldier would prefer to stay in America, to stay at home with his wife and loved ones, but they do answer their country's call and give so much to the protection of our liberties and freedoms. The very least we can do is to protect their rights as citizens of the United States.

It is not uncommon to infringe upon some law or regulation. Few of us are not guilty of some infraction, even though it may be of an innocent and inconsequential nature. We may fail to give a proper turn signal in traffic or exceed a legal speed limit by a few miles or any of a multitude of laws, but so often we are not deliberate and antagonistic toward society in so doing, rather we are careless. Our brand of justice considers these things as they actually are, but how about foreign countries? I certainly will not vote to hand our boys over to a type of justice that is more often than not strange and harsh and illogical. Our servicemen are precious to every father and mother in America. It can be understood to send them abroad to better build our defenses. God forbid that the time will ever come when we cannot get an Army of real Americans to defend our country any place on earth. I am willing to go and so are you. Our boys in the service are measured and not found wanting; let us not be found wanting in seeing that they are fully protected and not deprived of their birthright—the freedoms upon which the greatness of our Nation is founded.

Listen to this: You say wait until some other time; any law you pass here will have no effect on a treaty made by the Senate and the President of the United States. So, why wait? A place like this to me is about the only place on earth that you can put an amendment in, that you can pass a law that will be effective, and you will get the job done. I beg of you—my friends, I beg of you to look at this realistically. Do not stand here today and then go home and look our boys in the face and say that we in the Congress of the United States refused to give them a fair trial in foreign countries. We took them there to defend the country, but we will not stand behind them. You can say for one man, I will never vote to do anything else but stand behind them.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa [Mr. GROSS].

The motion was rejected.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if I had not heard so much law quoted here, I do not think I would have attempted to say anything. But I have often said in this House that I am a lawyer, and a good one; and from what I have heard here, I think I am better than I thought I was.

A treaty takes the same position as a law; no higher position, no lower position. Any treaty made by this country, approved by the Senate, can be abrogated by an act of Congress. You do not need any Bricker amendment to do away with the charter of the United Nations, because if you had Members of both Houses, sufficient in number, to pass a law to get rid of it, you could do it. The Supreme Court has decided that time after time.

In this case, all I want to know—I do not want an investigation—all I want to know, is do we have soldiers in foreign countries, and how were they sent there? I think it is safe to say that in the 40 countries where we have soldiers today, not a single soldier was sent there with his consent. I very much doubt whether under the Constitution you can send a man to a foreign country unless there is a declaration of war against that country. But if these men are sent there against their will—certainly not with their consent—do you not suppose those countries wanted them there? Are we filling these countries with soldiers just because we want to do it? Is there a demand on the part of those countries to have us there for their own assistance?

Now, having these men there, do you want them tried by the courts of those countries? I think the gentleman from Louisiana [Mr. LONG] made a very fine statement on how they would be tried. They are not to be tried under our Constitution or any other constitution except the constitution, or the absence of one, in the country where they would be tried. And if one of our boys accidently killed a cow in India for something to eat, he would receive the death sentence.

It seems to me that Congress can say at least whether they approve that kind of program or not.

Mr. Chairman, you have the right to change that kind of a treaty right here today, if you want to.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. As I understand it, this amendment would not violate any treaty agreements in view of the fact that it would be merely a condition precedent to these countries receiving handouts from the United States, is that not right?

Mr. BURDICK. That is right. But my position is, if they want to change the treaty, I am willing to change it here this afternoon, because the Congress of the United States can change any treaty. People have asked me, "Why do they not get rid of the Charter of the United Nations?" I get several letters every week asking that question. I have said that there is only one reason and it is a simple one; because there are not enough Members in the House and the Senate who see it the way I see it.

I am in the minority. I appreciate that because I have been in the minority all my life. And I expect in the hereafter I may find the same situation. And there are a lot of people I see here now that I do not expect to see in the hereafter.

You are going to interfere with your top-level meeting in a few days with Russia and some other countries. Have you not played around long enough with Russia to know that their word is not as good as a page out of a Sears Roebuck catalog? I would not believe them if I had a six-shooter right on the pupil of their right eye. You are not going to get anywhere with that kind of people. Suppose they said, "Yes." Suppose they agreed. What good would that do? There is only one thing they understand, and some day they will understand it from us. We have tickled them under the chin and we have followed them home and we have bought them lunches until they think we are just the way we act, and we act just the way we are. But that sentiment is going to be changed some day. We are going to tell the Russians where we stand, and then we are going to stand there.

Why, Lenin, Trotsky, Stalin, they all said it is ridiculous to feel that communism can live alongside of capitalism. They say it will be all one thing or all the other. Now they are talking peaceful coexistence. It is another scheme like they had for peace, talking peace with a shillelagh in one pocket and a gun in the other. I do not believe in temporizing with that kind of people.

You might say, "Well, you might be fomenting war, because they would not take you, you could not fight." Well, I'm sure I could, but when I fight I am going to fight for this country and the Constitution.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I appreciate what the chairman of the Committee on Foreign Affairs has said in the promise that the Bow resolution, House Joint Resolution 309, will have hearings, and I believe when those hearings are had we will be able to submit testimony and facts that will astound this country. Nevertheless, I still feel that this amendment, offered by the gentleman from Idaho [Mr. BUDGE] which is somewhat similar to the

amendment offered to the Reserve bill, is a better amendment than the one that was in the Reserve bill, because what he does by his amendment does not call for a change in the status-of-forces treaty, he simply asks that these countries that receive this aid will waive the criminal jurisdiction over our armed forces abroad, something that has been going on for a long time and is going on today, but it will prevent those cases where constitutional rights will be taken from the American armed forces.

It has been suggested here that we have bases in the world to protect this Nation. That is true. But do you suppose any of those nations would set up those bases on their soil if they did not believe that the bases' being there is to protect them as well as the United States? None of them would let us have bases there solely for our own protection. They are there for the protection of those countries.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Indiana.

Mr. HALLECK. Will the gentleman agree with me that in recent years we have had extreme difficulty in convincing some of these countries that they ought to let us establish those bases?

Mr. BOW. There may be some such cases, but if there are, then when we have spent billions and billions of dollars under these programs we have poured down the drain, because if they are not willing after the billions we have spent to permit us to set up bases to defend them as well as ourselves, then we have made a mistake in the past. I see no reason why we should continue that mistake and permit our men to serve without the protection of the Constitution.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from South Carolina.

Mr. RICHARDS. I just want to straighten this out with the distinguished gentleman so that the House will understand. Was I correct in saying that the gentleman agreed not to offer his amendment to the Reserve bill if I would assure him that hearings would be given on his resolution, and that the gentleman felt the matter should be considered on its merits and separate from these two bills?

Mr. BOW. I said to the gentleman I felt it would be proper for the Committee on Foreign Affairs to conduct the hearings and that that would take away and answer the argument against the amendment on the Reserve bill. That is correct.

Mr. Chairman, I would just like to cite one case, and I have many of them. This is the case of a man by the name of Jose Montijo, who is now in jail in France. The record shows that he was in a fight which came about, perhaps, as a matter of self-defense on his part. That man today is charged with murder in France. The Communist press throughout France is today demanding that that boy be guillotined. Imagine an American soldier wearing the uniform of this country under the pressure that he might be guillotined. If you will read the records of the courts and the trials in France, if you will read Time magazine, just a short time ago about French justice, then see whether you would want to send any of the men from your district or any district in this country to a court in France to be tried with a French Communist press demanding throughout that area that the man be guillotined. That is cruel and inhuman punishment. Our Constitution says that we shall not have it. Do you argue that that man is receiving the rights and privileges of our Constitution when throughout that country a certain segment of the press—the Communist press—is demanding that kind of punishment? I say to my colleagues, it is time we took a firm stand, a stand in which we defend the Constitution and defend those of our armed services who are assigned abroad against their wills.

Mr. RICHARDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since the gentleman used as an illustration the case of a crime which was committed in France, I just would like to call the attention of the House to a few figures. Of course, this does not deal with the immediate question at issue confronting us. The real question is whether or not an amendment of this kind should go onto this particular bill, not the merits of the Status of Forces Treaty. Still I want to pass on this information to the House. The record from the executive department shows that in such capital offenses as murder, manslaughter, and rape there have been 90 American soldiers involved, and there were no verdicts of capital punishment or any cutting off of hands. There has been no sentence of death or no sentence of life imprisonment. In 46 of the 90 cases, sentence was suspended and the maximum sentence imposed in the other 44 was 3 years and 1 month. That is the history of that situation. The average sentence was approximately 3 months.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I cannot yield just now.

Mr. GROSS. Mr. Chairman, I make a point of order. Is the gentleman from South Carolina speaking twice on this? The gentleman has offered an amendment to the amendment.

Mr. RICHARDS. I will yield to the gentleman in just a moment. I have a few more minutes of time, and I would like to get an agreement on time.

Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Chairman, reserving the right to object, do I understand that the gentleman from South Carolina has offered an amendment to this amendment; and, if so, has it been read?

The CHAIRMAN. The gentleman from South Carolina offered an amendment to the amendment by moving to strike out the last word, which is a very common practice in the House.

Mr. GROSS. I thought the gentleman had moved to strike out the last word on a previous occasion.

The CHAIRMAN. No, the gentleman from South Carolina rose in opposition to the pending amendment and now has the floor on a pro forma amendment, which is entirely in order.

Mr. GROSS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. GROSS. The gentleman does not deny that these extreme penalties could occur; does he?

Mr. RICHARDS. Yes, technically they could occur.

Mr. GROSS. In other words, the gentleman is saying that they could occur.

Mr. RICHARDS. But in the light of what has happened, I believe they will not occur. If they did, I am sure we would do something about it.

Mr. GROSS. Of course, that is again an assumption on the part of the gentleman.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Idaho.

Mr. BUDGE. Of course I do not know where the gentleman obtained his figures, but the Department of Defense information which I have is to the effect that as of February 1955, there were 58 American servicemen in prison in foreign countries, as a result of sentences, and that those sentences went up as high as 15 years. I think that is the record of the Department of Defense.

Mr. RICHARDS. There is one statement I made that I would like to correct. The figures I had were up to December 1, 1954. There may have been some since then, but I still stand by my statement, and this information comes from the State Department, that the average sentence imposed for capital offenses was 3 years.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I do not expect to take the full 5 minutes. I know we are anxious to vote on this. But a remark was made that I cannot leave unattended. That remark was that we had better think of us. I feel an obligation to call this to the attention of this House, that it is about time we think of them a little bit, too.

The division of which I was a member on V-E Day in 1945 moved from the Alps down into Trieste. We were sent down there so that if anybody got killed it would be an American. We were sent in there and we did not get the proper protection of this Congress or any part of the Government. We were told that we could not carry a gun, while they were shooting at us every day after V-E Day.

After that I went to Verona. You were not safe on the streets at night for fear of getting mugged or shot at. I

know it, because I was there. From correspondence that I have had since and from other parts of the world that situation has been mitigated, but it still exists.

I am not going to vote to send any American boy over there against his will to be tried by anybody except an American court. Furthermore, I think he is entitled to some of the rights that he fought to preserve for America.

I hope we will think of them instead of thinking of us.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from California.

Mr. McDONOUGH. Will the gentleman not agree that Armed Forces sent to foreign countries would have greater inspiration and better morale if this were the law of this country than without this kind of law?

Mr. THOMSON of Wyoming. Do you mean if this amendment is agreed to?

Mr. McDONOUGH. Yes.

Mr. THOMSON of Wyoming. I certainly do. I think a man would be justified in refusing to go unless he has the protection of what he has fought for.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. DORN of South Carolina. Does not the gentleman agree with me that this ought to be in the Reserve bill, the foreign-aid bill, in every other bill that we pass, so that the world will know how America stands?

Mr. THOMSON of Wyoming. I certainly am sympathetic to the idea, and I voted for this on the Reserve bill. I think the Reserve bill is necessary to the defense of our country. I do not think we can get at it as a practical matter, however, in that way. But here is the way we can do it. We are not abrogating any treaty. We simply say: "If you want to participate in this money that is being handed out, recognize the constitutional rights of an American citizen."

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from Iowa.

Mr. GROSS. I have obtained some information on trials in Japan. I cannot divulge the source of the information for obvious reasons. Here are a few brief points:

First. Prolonged trials.

Second. Presentation of indictment to accused on the first day of trial in some cases, and not before.

Third. Court-appointed lawyer unable to speak English and converse with the accused, and additionally, the seating of the accused's counsel unduly far away from the accused in the courtroom.

Fourth. Japanese judge asleep in court—during trial.

Fifth. Accused was, before trial began, not confronted by witnesses against him.

These things and more are sworn to in the reports by the American representative at all of these trials, who, in stating these things, admits that he did nothing to correct these wrongs he saw happening.

Mr. THOMSON of Wyoming. I thank the gentleman. May I say in answer that we considered ourselves to be lucky to be serving in Europe rather than in the Asiatic theater.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. BUDGE. I simply want to reiterate to the membership that this amendment does not abrogate any treaty of the United States, nor does it require these nations to enter into any new agreement with the United States; it simply means that so long as they do not put our boys on trial in their courts for criminal offenses under their law that they will continue to receive foreign aid, and that at such time as they do start the practice of putting our boys on trial in their courts and putting them in their jails which, incidentally, are nothing like the prisons in the United States, then they shall receive no further aid. That certainly is not an abrogation of any agreement with the United States, and it calls for no affirmative action on the part of the signatory powers except that they not initiate the trial of our servicemen in their courts and their confinement in their prisons.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from Indiana.

Mr. HALLECK. I dislike very much to continue my discussion of the interpretation of the language of the amendment. However, if the treaty is deemed desirable by any nation where our troops are stationed, then under this amendment they would have to forego the end result of the treaty so far as they are concerned, in order that the cooperation or mutual assistance involved in this bill could be carried out. Therefore, it would seem to me that it might work for the destruction of the program.

Mr. THOMSON of Wyoming. It seems to me that would not be entirely undesirable.

The CHAIRMAN. The gentleman from Arkansas [Mr. HAYS] is recognized for 5 minutes to close the debate on the pending amendment.

Mr. HAYS of Arkansas. Mr. Chairman, I voted for the Bow amendment when it was presented in debate on the military reserves bill. I refer to that only to indicate that I am not indifferent to the arguments that have been advanced regarding the protection of our fighting men abroad.

It is to the glory of America that we are determined to protect the rights of our men wherever they go. If we ever should allow ourselves to become insensitive to these interests something very precious would go out of American life.

But I think, studying the situation from a technical standpoint, having listened to the gentleman from Ohio [Mr. BOW] and to the gentleman from Connecticut [Mr. DODD] in their comments on the amendment, that I speak for the overwhelming majority of the Foreign Affairs in contending that the amendment would jeopardize our defense program.

The gentleman from Idaho [Mr. BUDGE] is not for the foreign-aid bill. The gentleman from Iowa [Mr. GROSS] is not for the foreign-aid bill. I am. I am for it because I believe that the defense of our country requires it, so it is quite immaterial from their point of view to describe the serious effect on the foreign-aid program that may follow the adoption of the amendment.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I will yield to the gentleman if he wants to correct my statement.

Mr. BUDGE. I would simply like to call the gentleman's attention that the basic act here——

Mr. HAYS of Arkansas. Have I misquoted the gentleman? Does the gentleman favor the foreign-aid bill? Does he propose to vote for it even if his amendment is adopted? If I have misquoted the gentleman I yield for a correction.

Mr. BUDGE. I do not know that I am called upon to reveal how I shall vote, but I am happy to inform the gentleman that I shall vote against the bill. I believe, however, that more Members would be for the bill if this amendment were included.

Mr. HAYS of Arkansas. I was glad to yield for the gentleman's statement.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from South Carolina.

Mr. RICHARDS. I may say to the distinguished gentleman who offered the amendment and also to the gentleman from Iowa who quoted certain facts in regard to cases in Japan, that that is the very information we want. I do not know where his information came from; he said he could not divulge its source. Be that as it may, that is one of the very things this committee is interested in; but it is a matter that should be fully reported to the Congress and acted on independently of this bill.

Mr. HAYS of Arkansas. Mr. Chairman, I thank the gentleman. I want to embrace the argument on the legal question that was advanced by the gentleman from North Dakota [Mr. BURDICK]. While we do not agree on the amendment we do agree about the law. Of course, treaty law is the law of the land until changed by the Congress. Whether it should be changed or not is for the Congress to decide and various factors are to be considered. But there can be no question as to the propriety of the Foreign Affairs Committee following out the promise that our chairman made to the gentleman from Ohio [Mr. BOW] that these questions ought to be considered. And relief, if needed, conceivably would call for enforcement rather than changes in the treaty.

When the Senate approved the status of forces treaty, it wrote language in paragraph 9, article 7, which gave assurance by other nations, as well as assurances given by us, regarding the conduct of trials and the guaranty of due process of law so far as servicemen are concerned. Not only that but the Senate required the President to report to the Congress any irregularities. Under this Senate action we have had one report by the President indicating a fine of $50

was wrongly assessed. The fine was returned to the man and an error conceded by the host country. We want to know more about it. I think the House has had all the assurances it can expect from our distinguished chairman when he stated that this matter will be considered.

The gentleman from Indiana [Mr. HALLECK] offered the compelling argument when he said that troops conceivably would have to be withdrawn that are important for our defense. I do not know how Denmark, for example, feels about our troops in Greenland, but I know that under the proposed amendment if they refused a waiver we would have to withdraw the troops. These troops would have to be withdrawn from one of the most strategic points in all the world.

For the reasons stated, in view of the grave implications and the serious results, I hope the committee will not approve the amendment offered by the gentleman from Idaho.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The question was taken, and the Chair being in doubt, the Committee divided and there were—ayes 83, noes 103.

Mr. BUDGE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. BUDGE and Mr. RICHARDS.

The committee again divided; and the tellers reported that there were—ayes 111, noes 129.

So the amendment was rejected.

The Clerk read as follows:

SEC. 6. Title II of the Mutual Security Act of 1954, which relates to development assistance, is amended as follows:

(a) (1) In section 201 (a), which relates to authorization, strike out "South Asia" in paragraph 2 and insert "Asia"; before the period in paragraph 3 insert "and to assist in maintaining economic and political stability in the area"; and in the last sentence change the comma after the word "specify" to a period and strike out the balance of the sentence.

(2) Add to section 201 the following new subsection:

"(c) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $73 million, $71 million, and $38 million to furnish assistance under paragraphs (1), (2), and (3), respectively of subsection (a) of this section."

(b) In section 202 which relates to administration, add at the end thereof the following new sentence: "The authority provided in section 307 may be exercised for purposes of furnishing assistance under section 201."

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 6, in line 17, strike the word "and" and all that follows down to and including the period in line 19, and insert the following: "and in lieu of the last sentence insert the following: 'Such assistance may be furnished on such terms and conditions as the President may specify and shall emphasize loans rather than grants wherever possible.'"

Mr. VORYS. Mr. Chairman, this amendment requires the Administrators of this program to emphasize loans rather than grants wherever possible in the furnishing of development assistance. I intend to offer a similarly worded amendment to the Asian development fund provision and to the general loan provision of this bill. I have taken these words "emphasizes loans rather than grants wherever possible" from the President's message of April 20, 1955, on the mutual security program.

For 7 years I have been trying to get more of this aid program into loans. I started in 1948 in the Marshall plan. I have tried every year for 7 years. Day before yesterday in general debate I gave a list of these efforts and their results. You will find them in the RECORD on page 9392. You will find that the Congress has required loans in these programs of $1,788,047,000. You will also find that on these loans, which they call fuzzy loans, there has been repayment of over $115 million.

You may often hear people say, "If you provide government-to-government loans, it is the same as giving away the money because they will not pay it back." The record which you will find on page 9392 is otherwise. We have since the end of World War II made loans to foreign countries of about $14 billion and we have received back in principal and interest $4.5 billion.

In previous years I have tried by minimum percentages and by minimum amounts to require loans. This time I am going to try another way, for two reasons:

The President has said in his message that this program will emphasize loans rather than grants wherever possible. The Secretary of State has given me his assurance on this within the past 2 days. Harold Stassen, the Director who goes out today, has given me assurance that he will urge that sort of administration upon Johnny Hollister, the new Director, who comes from Cincinnati, Bob Taft's former law partner. I think that in his administration they will emphasize loans rather than grants. They say they can get more loans without a limitation because if you put in a minimum each foreign country will claim that it is a maximum for that country.

I tried 2 or 3 ways to devise an amendment so that we would say it should not be interpreted as a maximum, but they tell me that when they start to negotiate, the other country says, "You ought not to make us take more than our percentage of the limitation."

These officials, the President, the Secretary of State, and the Director of this program, have said they are going to emphasize loans rather than grants wherever possible. I am going to take them at their word and see what happens, see whether this way of doing it will achieve better results.

There is a second reason why I make my proposal in this way, after deep thought. Any minimum percentage or amount that can get through this House and through conference is smaller than the amount I think they ought to be lending. It will be smaller in total and it will be used not only by foreign countries but I fear that, as in the past, our own Administrators may be tempted to use the minimum as a maximum.

On this loan proposition I am urging the recommendations of the Randall Commission. I was a member. The Randall Commission was to deal with the question of trade, not aid. They made recommendations on both. Congress has accepted their recommendations on trade but not their recommendations on aid. You will find their recommendations set out on page 9392 of the RECORD and page 82 of the report. And referring to military-aid exceptions, this is what the Randall Commission said:

Where substantial economic aid is necessary in the interest of the United States but cannot be obtained from private or international sources, loans should be made, not grants.

This is what the Farm Bureau says, and you will find their excellent statement at page 638 of the hearings:

We earnestly urge that a provision be inserted in this bill which will assure that whenever possible this economic aid should be in the form of loans rather than grants.

I think this amendment carries out the recommendations of the Randall Commission and of the Farm Bureau. It puts in here what the President has said he is going to do and what the Secretary of State says he is going to do, and I think it will result next year in putting more of this aid into loans and less into grants.

Mr. SELDEN. Mr. Chairman, I offer a substitute amendment to the amendment offered by the gentleman from Ohio [Mr. VORYS].

The Clerk read as follows:

Amendment offered by Mr. SELDEN as a substitute to the amendment offered by Mr. VORYS: On page 6, lines 17 to 19, after "area" strike out through the end of sentence and insert a period and the following: "Such assistance shall be furnished, to the maximum extent appropriate, in the form of loans, and at least 50 percent of the funds appropriated pursuant to subsection (c) of this section shall be available only on terms of repayment in accordance with the terms of section 505, but this requirement shall not be interpreted as a maximum loan figure for any country or area."

Mr. SELDEN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Chairman, I do not believe the substitute amendment that I have offered will damage our foreign-aid program, but I do believe it will strengthen this legislation.

The view that our economic aid program should emphasize loans instead of grants whenever possible has, I believe, much merit. This view has been expressed both by the Randall Commission and by the President. The Congress last year also expressed agreement with that view when it placed minimum loan requirements in the 1954 Mutual Security Act and, in the same bill, provided that development assistance should be terminated by June 30, 1955.

Yet, in the bill now before us, we find an item of $182 million listed as development assistance. This assistance consists primarily of economic aid in

the form of grants that will be made to nations, most of whom have no mutual-defense agreements with us.

The substitute amendment I have offered provides that 50 percent of this $182 million item of development assistance be made available in loans rather than in grants. Now, I am quite certain the gentleman from Ohio is attempting to accomplish by this amendment the result that I feel sure can be accomplished by my substitute. While the amendment of the gentleman from Ohio is both permissive and general, the substitute is specific and mandatory.

Our Government has loaned considerable sums to foreign countries since World War II, and it is my understanding that none of these loans are in default. As a matter of fact, of the $14,147,769,000 made in loans, the sum of $3,176,216,000 has already been repaid. In addition, interest on the loans in the amount of $1,331,284,000 has been collected. Consequently, the taxpayers of this Nation are more than $4.5 billion better off today than they would have been had this aid been in the form of grants rather than loans.

As I understand it, the development assistance program is designed essentially to help undeveloped free countries raise their standards of living and develop their resources. Some of these nations to whom this assistance may go possess large quantities of critical and strategic materials which cannot be found in sufficient amounts in our own country. For example, the United States today must rely on foreign countries for all of our natural rubber, 99 percent of our chromite, all of our tin, 95 percent of our manganese, and 72 percent of our tungsten. From other countries we must also obtain a large proportion of many additional commodities essential to our military strength and economic welfare. If we furnish development assistance to foreign countries in loans that are repayable, then it may be possible in years to come for those same countries to repay us in the raw materials that were developed with our own loans.

I am willing to admit there is always the possibility that some of the loans we make may never be repaid. But if this development assistance is extended as a gift instead of as a loan, we can be certain that these funds will be gone forever.

I might point out that Congress has in the past required a series of loans in aid bills. All of these were opposed by the executive branch. None, however, were refused by the executive branch. All of the loans were accepted in other countries. None of the loans have been defaulted by any government. None of them, to my knowledge, have caused hard feeling.

Last year the Executive took the position that only $100 million of the program should be in loans, but Congress required $255,350,000. The required minimums have all been loaned, and I have heard no claim from anyone that this has crippled the program.

Mr. Chairman, the substitute amendment does not affect the funds provided in the bill for military assistance. It does not affect the funds provided for direct forces support, for defense support, or for technical assistance. It deals with only 50 percent of an item of $182 million out of a total authorization of $3,285 million. Nor does the substitute amendment eliminate the $182 million item of development assistance. It merely makes 50 percent of these development assistance funds available on a loan rather than a grant basis.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SELDEN. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I wish to ask the gentleman whether his amendment is identical to the one introduced by the gentleman from Ohio in committee.

Mr. SELDEN. I think it is.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SELDEN. I yield to the gentleman from Ohio.

Mr. VORYS. I believe the gentleman has done me the honor of taking verbatim an amendment that I drafted about 3 or 4 days ago when I was wobbling back and forth on the way to do this. I want to say that I agree with everything the gentleman said, but when we took the 50-percent amendment to conference last year we wound up with 30 percent, but they loaned more than 40 percent on these loans. In other words, the minimum still tends to be close to the maximum. That is why I am in opposition to the gentleman's proposal.

Mr. SELDEN. The gentleman did offer this amendment and I supported it in the committee.

Mr. VORYS. Since we are talking about what happened in committee, I offered it for 100 percent, and then for 75 percent, and then for 50 percent.

Mr. SELDEN. That is correct.

Mr. VORYS. And I got licked every time. I wanted to do something that would get through the floor of the House and stand up in conference. That is why I have brought this version here.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. SELDEN. I yield to the gentleman from Minnesota.

Mr. JUDD. What the gentleman from Ohio [Mr. VORYS] has said would seem to refute his own contention that a floor becomes a ceiling. For he says it came out of conference last year with a floor of 30 percent but that they made 40 percent in loans. So how can he predict that if we adopt this amendment requiring that at least 50 percent of this aid be in the form of loans, that will become the maximum? Maybe they will make 60 percent in loans. I am still inclined to go along with the gentleman's original amendment, as I did in committee.

Mr. SELDEN. I think possibly the best argument that has been made in favor of the substitute amendment was made by the gentleman from Ohio [Mr. VORYS] on page 82 of the committee report. Here the distinguished gentleman from Ohio [Mr. VORYS] submitted a statement entitled "Additional views on loans." In it he says:

> There is general theoretical agreement with the proposal that our economic aid program should emphasize loans rather than grants, wherever possible. There is disagreement as to the best way to carry this out in practice.
>
> I believe that the best way is to have Congress provide minimum loan requirements in authorizing foreign aid.
>
> Experience shows that otherwise the tendency will be to make grants, not loans, in administration. It is argued that a percentage limitation militates against the placement of a greater percentage of loans. The record does not sustain this argument, for wherever loans have been permitted but not required, few or none have been made.

I find this argument most convincing and I urge the adoption of the substitute amendment.

Mr. HAYS of Ohio. Mr. Chairman, I rise in support of the substitute amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. HAYS of Ohio. Mr. Chairman, I hope I will not take 5 minutes on the amendment offered by the gentleman from Ohio [Mr. VORYS]. I think he made a very fine argument for it, and in view of the fact that he did make such a good argument I am wondering if he will not just accept the substitute.

Mr. VORYS. No; because it proposes only 50 percent. As I said previously, I wanted 100 percent, then I tried to get 75 percent, and finally I backed down to 50 percent and got licked on that.

Mr. HAYS of Ohio. Now the gentleman is backing down on the whole thing. I think he ought to take half a loaf rather than none.

Mr. VORYS. No; I still think that a congressional minimum ought to be provided; but I think that rather than have a percentage that gets too small, the requirement "shall emphasize loans rather than grants wherever possible" is stronger, and I think we have a better chance of getting loans in a whole lot of places with that than we have with this fixed mathematical formula.

Mr. HAYS of Ohio. I certainly respect the gentleman's views but I must disagree with his statement that this language is stronger, because it does not pin them down to anything. All the Administrator would have to say is that it was not possible to make it on a loan basis and we will give them a grant.

If you defeat the substitute offered by the gentleman from Alabama my suggestion is that you make it 50 percent. This language does not set a maximum at all and it may well turn out as it did in another instance when we said 30 they came up to 40 or 45. If we adopt the minimum of 50 percent they may well make it 60.

Mr. GROSS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this is all very interesting. We are now being asked to gild the lilly by accepting some kind of a loan proposition. And I would like to ask the gentleman from Ohio [Mr. VORYS]—I have asked him few if any questions so far in this debate; I have addressed most of my questions to the

gentleman from South Carolina—I would like to ask the gentleman from Ohio just how this loan proposition proposed by the gentleman from Alabama and himself is going to affect the talks at the summit.

Mr. VORYS. I think it would be a good thing.

Mr. GROSS. The gentleman thinks it will be a good thing. He thinks it will be a good thing to send the President over to Geneva or wherever the conference is going to be held, where he will have to say that from here on out several hundred millions of dollars will be put upon a loan basis; that the President cannot tell the foreign Governments they can back the wagon up to the door and take the cash off the counter; that they will have to take it on a loan basis or not at all. What do you think the President is going to think of that? I am surprised the gentleman from Ohio, after his remarks of yesterday, would do anything to displease anyone going to the summit.

Mr. VORYS. Do you know what the President is going to say? He is going to say: "Boys, as I told Congress on April 20, from now on we are going to emphasize loans rather than grants wherever possible."

Mr. GROSS. It seems to me the gentleman must remember lease-lend. How much have we recaptured from the billions that went into lease-lend?

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I take it the gentleman is agreeably surprised because he has been against these foreign-aid plans, giveaway plans, or whatever he calls them. I take it he is agreeably surprised that anything favorable came out of them.

Mr. GROSS. I am just saying to you that you will not collect this money even if it is loaned any more than you collected under lease-lend.

Mr. HAYS of Ohio. I think the gentleman is taking a good deal for granted. Ordinarily when you make a loan you do not write a letter or say to the recipient that you do not expect him to pay it back. That is what the gentleman is doing.

Mr. GROSS. How much of the $160 billion we handed out on lend-lease during the war and in the giveaway program since have we gotten back? Does the gentleman from Ohio have an answer?

Mr. SELDEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Alabama.

Mr. SELDEN. I would like to say to the gentleman the record indicates that some of the loans have been repaid. Of the more than $14 billion loaned since World War II we have already been repaid more than $3 billion.

Mr. GROSS. Out of how much?

Mr. SELDEN. Also, more than a billion in interest has been collected.

Mr. GROSS. How much have we handed out?

Mr. SELDEN. Approximately $14 billion has been loaned since the end of World War II.

Mr. GROSS. The gentleman is a member of the Committee on Foreign Affairs. How much did we pay out under lend lease, how much have we paid out under the various give-away programs since the end of the war? Can the gentleman give us the total?

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. VORYS. I find somewhat to my amazement that reverse grants, that is, returns on lend lease, have amounted to about a billion four hundred million dollars. I was surprised that we got anything back but I find we did get something back.

Mr. GROSS. Yes; out of more than $100 billion, and you want to hand out more money on a virtually noncollectible basis. I am opposed to both of your amendments because I repeat you are just gilding the lily.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in support of the substitute amendment offered by the distinguished gentleman from Alabama [Mr. SELDEN] His amendment makes a little more palatable the mutual security program that we are discussing here today.

I want to take occasion, since this is the first time I have imposed myself upon the Committee to talk about this matter, to say that I intend to vote for this mutual security bill. However, the powerful arguments of the opponents have sometimes almost persuaded me to vote differently. Some of us have been a little bit amused at certain remarks that have been made by our colleagues. If they could make those same remarks, these gentlemen who are in opposition to this bill, back in the Eighth District of Florida my people would say "Amen." What I am saying is that to vote for this whole bill is for me to accept a political liability. There is no doubt about that. It is a political liability in the Eighth District of Florida. I appreciate, therefore, the efforts of the members of the committee to make this program just as palatable as possible.

Mr. Chairman, forgive my modesty, but I do not believe I am without some political resources. If someone were to say to me: You are voting for a giveaway program to foreign nations, I would say, and I believe this sincerely: It is a gamble with money rather than with the precious lives of our boys. That is all you can say, as I see it, and all that you need to say. But I do want to plead with the members of the Committee to continue making this legislation just as acceptable as we can. I think the amendment offered by the gentleman from Alabama is a wonderful step in that direction.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I just want to compliment the gentleman on the very statesmanlike approach to this matter he has taken and to congratulate him; also to say that the Members of the House realize he has a wide knowledge of foreign affairs and a wide acquaintance and that his words carry a great deal of weight.

Mr. MATTHEWS. I want to say to the gentleman how much I appreciate those remarks.

One of the objections to this program that has been mentioned in the House and that I want to reiterate again is the worry about when it will end. I am worried about that. Another objection is the generosity with which we deal with foreign nations in the regulations governing these programs and the lack of generosity in dealing with our own people. The gentleman from West Virginia [Mr. BAILEY], and the gentleman from Virginia [Mr. JENNINGS], appeared before the Committee on Agriculture, as well as other distinguished Members of this House—I see many of them here—pleading for some measure to help people in distress in this Nation, and to give them flour and meal. And how difficult it was for us to obtain the legislation because of regulations.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am sorry. I have but a few minutes.

Mr. GROSS. How much sugar does the gentleman think ought to be put in this bill?

Mr. MATTHEWS. I will tell you, sir. I have heard so much about sugar the last few days that I am almost persuaded to start using saccharin in my coffee from now on.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to inform the distinguished gentleman from Florida that we do not as yet have the meal and the flour for the miners. That is tied up over in the Agricultural Committee of the other body.

Mr. MATTHEWS. I want to thank the gentleman.

And that pinpoints something that our people cannot understand and I cannot understand. Now, here is a part of this program we call development assistance, a broad general term, a new title. How far does it go? When does it end? What will it be? I praise again the gentleman from Alabama and the gentleman from Ohio for saying to us "Well, at least let us try to get some of this back in the form of repayment of loans." We are going to need these strategic materials that those nations have. They are proud nations; they are independent. I do not see how anyone could object to receiving some of this assistance back in terms of these strategic materials. Mr. Chairman, as we logically try to answer some of these burning questions when can we see the possible end of this program? I find it increasingly more difficult to explain to my people why we have to continue this program indefinitely, and I know by the talks I have had with my colleagues that you have that same problem. Let us do something about this trade not aid. What about trade not aid?

Mr. GROSS. They have conveniently forgotten it.

Mr. MATTHEWS. What about some of these other parts of the program that we look forward to starting and thus save our taxpayers money? So, I say again I am going to vote for this amendment. It will save our taxpayers money. I hope it passes. If this amendment does not prevail, I will be delighted to vote for the amendment offered by the gentleman from Ohio.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. HAYS of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Florida [Mr. MATTHEWS] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MATTHEWS. I thank my distinguished friend for granting me that extra time.

I want to say in closing, Mr. Chairman, that I am going to vote for the mutual security program, and I want to tell the members of the House Committee on Foreign Affairs how much I appreciate the work they have done. I want the chairman of this committee to know that I realize the problems he has had, as well as every single member. It is a job that I would not relish, and I want to say to the chairman of the Committee on Foreign Affairs that I know you are doing your duty as you see it as an American citizen. You are fighting for the one thing that we are all dedicated to, and that is the safety and the best interests and the preservation of the United States of America. I plead with all of you as we think about this amendment again to make it just as palatable as we can and to keep in mind the burning problems that face us as we take these issues back to our people and try to explain to them the need for this program.

Finally. I want to emphasize again the reason I am going to vote for mutual security is that it is the only possible alternative that I see. It is either gambling with American money or gambling with American lives, and if I am offered that choice, I will gamble with money every time.

Mr. RICHARDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to congratulate the gentleman from Florida [Mr. MATTHEWS] for his splendid and patriotic address, and I want to thank him in the name of all of the members of the Committee on Foreign Affairs for the kind words that he has expressed about us. To say the least, this kind of bill is difficult for any committee of the House, and I want to join with him in saying that even if some of this money is wasted, we are gambling with dollars and not with American lives.

As to the substitute amendment offered to the amendment of the gentleman from Ohio, I find myself for one time in agreement with the gentleman from Iowa [Mr. GROSS]. He stated awhile ago that he was against the amendment and against the foreign-aid bill, but he was right when he said that both of these amendments just gild the lily.

As a matter of fact, I have been fighting a long time along with my friend from Ohio [Mr. VORYS] and other members of the committee to build up the loan part of this program. We have met some success. Already in this bill there is $100 million reserved for loans. There are some things to be done in this part of the world which should not be done on a loan basis. Some of the projects involve health and education and should not be financed with loans.

There are other loan provisions in other sections of this bill where substantial loans can be made.

If the Committee is going to adopt any amendment on this subject, I would suggest that they adopt the amendment offered by the gentleman from Ohio [Mr. VORYS] and vote down the substitute amendment.

I am not opposed to either one of them in principle. That is what we have been trying to do all along. But let us not defeat the very purpose we seek to accomplish. They can say all they want about the record on this, but when you put a minimum in a bill it sometimes turns out to be the maximum above which loans will not be made. That is the way I see it. If the Committee adopts the language of the gentleman from Ohio they will be saying to the executive department, "Make the loans whenever you can." In the final analysis, the administrators of the program are going to have the decision anyway as to whether to make a loan. They are the ones to take the responsibility.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Ohio.

Mr. VORYS. The gentleman is familiar with the fact that after considerable soul-searching and negotiation the language I have proposed is acceptable to those who agree that they will carry out the mandate that they make loans wherever possible but do not want a minimum. So that the language I have proposed in my amendment is acceptable to the administration in charge of this program.

Mr. RICHARDS. It is acceptable. I do not think either proposal adds much to the bill. But I cannot see any good reason why I should oppose the amendment of the gentleman from Ohio.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Alabama [Mr. SELDEN] to the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. SELDEN) there were—ayes 19, noes 52.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 54, noes 23.

So the amendment was agreed to.

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 6, line 23, strike out "$71,000,000" and insert in lieu thereof "$1,000,000."

Mr. ADAIR. Mr. Chairman, this amendment, as you have just heard, would take from the bill $70 million. The total item is $71 million, which is listed as Development Assistance for Asia; that is, $70 million for India and $1 million for Nepal. I do not propose to remove the latter $1 million. The amendment would be, therefore, one which would remove $70 million worth of economic aid for India.

In this connection, I think the House would want to know what that money would go for according to the program presented. Generally speaking, it would be for these items: $10 million for agricultural and natural resources, including $4 million for the purchase of fertilizer for use there; $4 million for the development of deep wells; $2 million for river valley development; $5 million for construction of electric power facilities; $15 million for steel, some of which I think might go into some small rural industries in that country; $6 million for the development of the Indian railways; $4 million for malaria control.

Those are among the items for which this $70 million is programed.

It ought to be said to the House that in this $70 million there is also proposed the use of $30 million of surplus agricultural commodities. Those commodities would presumably be sold in India and the local currency proceeds from those sales would then go for agreed economic development purposes.

In the past and presumably again this year there will be a substantial amount of this Indian program placed on a loan basis. In view of what we have just been discussing with respect to the last amendment, we ought to keep in mind, in fairness, that a considerable portion of this money for India has heretofore been in the form of loans.

I want to emphasize that this proposal does not touch $15 million which is programed for technical cooperation, a continuation of the point 4 program. That is left by this amendment intact in the bill.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from West Virginia.

Mr. BAILEY. As to the item of $5 million the gentleman mentions for the development of electric power, is that going to be public power controlled by the Indian Government or is it going to be a private-power development?

Mr. ADAIR. It could very well be the former—that is, Government-controlled power. I am not certain, however, so I cannot answer the gentleman with complete definiteness upon that point.

It has previously been said here that this bill does have a bearing upon our foreign policy. Therefore, I think it is important in enacting this legislation for us to try to keep in mind those nations which are our friends and those which cannot make up their minds whether they are our friends or whether

they pursue a policy which is called neutralism but which seems frequently to follow the line usually advocated by Russia in matters of world affairs.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. HAYS of Ohio. If the gentlemen's amendment should prevail, does the gentleman then intend to support the bill?

Mr. ADAIR. I would say to the gentleman from Ohio that if enough good amendments to this bill would prevail I would support it. Based upon the previous record in the House in the matter of supporting these good amendments, I would say to him that it is quite doubtful that enough such will prevail. I said earlier in the debate that I was not opposed to all parts of this program. I think there are some very good parts.

At the same time there are in this program some very bad parts. This, I believe, is one which we ought to examine most carefully.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. HAYS of Ohio. I just want to state that the gentleman's idea of good amendments and mine might be different.

Mr. ADAIR. I am quite sure that is true. That would be true, probably, with all Members of the House.

There is no question about that, but in voting either for or against this amendment, we are having the opportunity to register our opinion of what we think of the attitude of the leaders of the great Indian people. Certainly, at the same time we have the greatest respect for the Indian people, and wish them every success in the solution of their governmental problems.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. ADAIR] has expired.

Mr. JUDD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of course, to oppose this amendment is not an easy position to take for reasons I am sure everybody understands. It would be easier to support the amendment because I get just as provoked by some statements made by some leaders of India, and of some of the other countries we are helping, as anyone can. But the more difficult the situation is, the more we need to stop and take a good look at just what this whole bill is about, what we are trying to accomplish by this program. It was never intended to be a means of getting people to like us. Surely we are not so immature people as to crave somebody's affection to the point that we are willing to ignore our own intelligent long-term self-interests.

The idea is not that we can bribe people to join our side. If we could, they would not be worth having on our side.

It has been said again and again in this debate, "We cannot buy friends by giving them money." Why, of course, we cannot. Whoever suggested that the primary purpose of this program is to buy friends? Friendship is not for sale either in private or in public life.

This program is not to make ourselves feel good because of the help we are giving to needy peoples.

It is not an attempt to make India or any other country a satellite of the United States. That is the Kremlin's method, not ours. It is one of the things we are fighting. We do not want the peoples of the world to be subservient to us any more than we want them to be subservient to the Kremlin or Peking. We do not want Mr. Nehru or anyone else to bow before us as a cringing suppliant, saying, "Oh, thank you so much for all the help you have given me.." I would have no more respect for us if we sought that than I would have for him if he did it. Furthermore, he would be repudiated in his own country if he took such an attitude, the same as you and I would be in our country if we were to bow and scrape before some foreign nation.

The people of India have pride, too. They have dignity. People who have won their independence only in the last 7 or 8 years are especially conscious of it. Some would say they are unduly sensitive. Perhaps so, but it is a natural and inevitable reaction to be touchy and concerned about the newly won position of equality and prestige which they have struggled so long and hard for 200 years or more to win.

Now, let us keep our eye on the ball. What we are trying to do in this program is to safeguard the security of the United States—period. That means we are striving to build a world of peace and freedom, otherwise we will not long be secure. That means we have to stand with all others who are striving for the same kind of a world.

In this program we are trying to help free peoples stand on their own feet so that they can maintain their independence and keep their land and resources out of the hands of our enemies.

There are two main ways to safeguard our security. One is by every legitimate means to try to prevent expansion of the power of any hostile nation or nations; the other is to keep ourselves strong and by every legitimate means try to keep strong other free peoples who are endeavoring to preserve their independence, and to keep them on good terms with ourselves, if possible.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. GROSS. How do you propose to do that without friends?

Mr. JUDD. Without friends?

Mr. GROSS. Yes.

Mr. JUDD. It all depends on what you mean by friends. I think any government in the world today that is fighting for its own independence and striving to stand on its own feet is friendly to the United States in the sense that what it is trying to do serves also our own primary concern, namely, our national security.

It is not a matter of speeches or sentimental declarations of friendship. It is whether what they do helps preserve their independence. If they are independent, that serves our interests as well as theirs.

Mr. Nehru is obviously not devoted to us; but his loyalty is not to the Soviet Union either. Mr. Nehru is for an independent India. I want to help him keep India independent.

Equally obviously, he is also scared of the Soviet Union and Communist China. Why should he not be? A good many other leaders in Europe, as well as Asia, are scared of them, too. I am sorry to admit that not a few in our own country seem so scared that they are saying we should give up our honor and our pledged word—just a little, of course—if thereby we can perhaps buy a little peace for ourselves for a few years.

Why does he make some of these statements against us? In the first place, it is safe to say them about us—he knows we will not do anything to him. He knows the Soviets might. Perhaps the Commies will be nice to him, if he will denounce us. They will not, if they get him under their control; but he does not know that yet.

Another reason is that he does know first hand the old imperialism of the West. The British had him in jail for 12 years. If I had been held in jail 12 years because of fighting for freedom, I suspect I would have a permanent scar in my soul against the people and all connected with them who were responsible for it. We, too, speak English and have Anglo-Saxon traditions. There is a subconscious transference of his resentment against the British to all people associated with them, and that includes us.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Indiana.

Mr. ADAIR. Is it not true, however, that the statements he makes are more harsh against us than the British?

Mr. JUDD. Yes, he has already achieved his independence of them. He has to demonstrate now his independence of us. The fact that we are giving him more aid than the British makes it more necessary to speak out against us, to show that he is not subservient to us.

Governments in Asia's history have seldom been benevolent to their own people, much less to other countries. For centuries, Asia's entire experience with European governments was one of colonialism, imperialism, and exploitation. When America now gives them millions of dollars worth of aid asking nothing except that they build up their own people and strengthen their independence, it is too good to be true. There must be a catch somewhere. And Communists are always whispering that it is not generosity, it is evil capitalism which has to export to prevent collapsing and is seeking to get its hooks into the recipient country in order to seize control of its economy.

So, inevitably, they fear there must be an ulterior motive, a sinister purpose behind our aid, even though they want it so badly. They cannot see the catch but they assume there must be something under the woodpile or we would not be giving it.

A third reason is that the head of any newly independent government which receives aid from a foreign government is

under suspicion immediately in his own country.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mr. JUDD was granted 3 additional minutes.)

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Iowa.

Mr. GROSS. What kind of scars will the American servicemen have after serving in a foreign prison?

Mr. JUDD. What has that got to do with it?

Mr. GROSS. The gentleman is talking about scars which Nehru has because of imprisonment by the British.

Mr. JUDD. Yes, because they are important to understanding former colonial peoples. I am not justifying or condemning them. I am simply analyzing the situation. If a patient comes in with tuberculosis or cancer, I do not take responsibility for it. I did not create it. I wish it were not there. But if I am an intelligent physician, I try to diagnose the condition correctly and try to correct it. That includes scars.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. Are the funds involved in this bill loans or grants or what? The point I am trying to make is this, if they came on bended knee, begging for all this money, we would have no respect for them. I think those nations would have more self-respect if they took this as a loan. I am wondering if this bill carries loan or grants to India.

Mr. JUDD. The 50-percent provisions on loans that we were discussing a few minutes ago apply to this development assistance the same as to other parts of the bill. We considered in committee an amendment that at least 50 percent of the aid should be in loans and the other 50 percent in surplus agricultural commodities. But that simply would not be feasible in many situations.

Mr. WINSTEAD. It is more or less left up to the administration whether it is loans or grants?

Mr. JUDD. That is right, within the limitations established.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. In the instance of India, most of it is under the technical cooperation, $70 million?

Mr. JUDD. No, this item is for development assistance.

Mr. PASSMAN. But how can you make it on a loan basis under the provisions of this bill?

Mr. JUDD. This amendment does not deal with technical assistance. That comes later.

Mr. PASSMAN. The $70 million comes under technical cooperation.

Mr. JUDD. No. It is under title II, "Development assistance." This does not touch $15 million for technical cooperation which is dealt with in the next section, amending title III.

Mr. Chairman, may I finish the point I was trying to make.

A leader in such a country as India or Burma or Indonesia who receives substantial aid from abroad is immediately charged by his political opposition as being a puppet, as having sold out to the giver in his order to get the aid. So he has to get up occasionally and make a harsh statement to show that he really is independent and not a puppet. Furthermore it is always popular with much of the public to denounce some foreign country. Big Bill Thompson was elected mayor of Chicago twice on a platform of punching King George III in the snoot, although the king had been dead some 150 years.

This is a part of the political process in other countries too. It may work more to our advantage hereafter. Mr. Nehru has just been in Russia and had a love feast. If he gets any aid from Russia—and I doubt it will be much—he may be accused of having sold out to the Kremlin and be forced by his opposition at home to get up and sound off occasionally against the Soviet Union in order to show he has not become a puppet of the Communists abroad while fighting them at home. We wish he were openly on our side. But since that is clearly not possible at present, is it not better to have him somewhere in the middle than wholly on the Kremlin's side? Our legitimate and primary interests are adequately served if India is free. If its manpower, its resources, its great strategic bases are not in the hands of the Kremlin, that greatly increases our security.

Whether Nehru likes us or not is secondary. These 70 millions for aid to India—40 percent of it American surplus agricultural commodities—are not given in an attempt to buy friendship or gratitude. The key thing is to give India the capacity to build up its own strength and to keep out of the control of the Kremlin's world conspiracy. That is enough to justify the whole authorization. I hope the amendment will be defeated.

Mr. CARNAHAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think we should consider rather carefully what it is we are trying to do with this item of developmental assistance for India. Developmental assistance to this area is $71 million, $70 million of it going to India.

We should bear in mind that India, a democratic country, has 400 million people. What India does during the next quarter of a century may well determine the conflict between the free world and the Communist world. Some of the House membership seem to think that this aid is going to Nehru. That certainly is not the purpose of it. This aid is going to the 400 million people of India who are striving courageously to improve their standard of living. Any of you who have been in India within the last few years must be conscious of the fact that in this great democratic country there is bubbling enthusiasm on the part of the masses of the people to attain a better life for themselves. That is what we are attempting through the aid to help them do. We are no more helping Nehru in this aid than we could be said to be aiding our own leaders in this country by anything we do for our people.

Ten million dollars of this $70 million aid is going to aid the Indian people in the field of agriculture where they can learn to get more from their soil, where they can learn to produce more food so that they may not be quite so hungry during all the year as they have been in past.

Thirty million dollars of this aid is going to them in the form of surplus agricultural commodities. This type of aid is intended for a people whom we believe need this help to improve a low standard of living.

Before the committee reached the decision of further assistance to India it carefully considered the effects of such assistance not alone on India but also in the larger contacts of our Asian policy. Here we are dealing with Indian-Asian people where we know there has been developed over the years a gulf between the people of Asia and our own people. If we deny this sincere friendly help they will say: "Yes, that is the usual pattern; you give aid to other but us Asians, you have nothing for us."

It is clear that India's foreign policy is often divergent from that which the United States would have it be, but we hold to the idea that people determine their own policies; and surely it is not our intention to say to a free democratic country that unless they do exactly as we feel that they should then we will have nothing to do with them.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CARNAHAN. I yield to the gentleman from Minnesota.

Mr. JUDD. What would be the situation if we were to adopt this amendment and cut out this aid to India as the suggestion of those who are angry with India because some of her leaders have seemed to be leaning toward the Soviets rather than doing what we believe it would be better for them to do? Would we not thereby be forcing them to do exactly what we do not want them to do?

Mr. CARNAHAN. That is true.

Mr. JUDD. They would have no alternative except to line up openly and perhaps completely with the other side.

Mr. CARNAHAN. We would perhaps be giving them the final push.

Mr. JUDD. That is right. The committee believes that any hostile expression by Indian Government leaders must not obscure the fact that our Nation is interested in the preservation of the Indian Government as an independent, free, democratic state.

Mr. BENTLEY. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I support the Adair amendment to strike out the $70 million for development assistance to India. We have had a great deal of fear expressed over the fact that if India is so-called cut loose from our foreign aid it would apparently fall into the Soviet orbit.

In the first place, Mr. Chairman, the amendment does not touch the technical-cooperation funds for India. It continues such funds which both the gentleman from Indiana and I believe should be continued.

In the second place, to name two Far Eastern countries, Ceylon and Burma, whose Prime Minister is a guest in this country at the present time, neither country, so far as I know, is taking a penny in economic assistance from this country. Yet, I do not see where they have gone into the Soviet orbit to any extent.

Mr. Nehru has been quoted as saying that he is an independent and is neutral, he is not on either side. I wonder if the members of the committee have read the statement that was issued following his visit to Moscow very recently, a statement he issued in conjunction with Marshal Bulganin? If there was ever any statement that was more subservient to the Communist propaganda on foreign policy, particularly in the Far East, more so than from the head of any satellite state, which I have ever heard, I do not know what it is. That statement of Mr. Nehru and Marshal Bulganin is the Communist line on foreign policy all the way down the line. I fail to see how Nehru can claim to be independent of the Soviet Union after making such a statement.

The claim of India's neutrality has been advanced by Mr. Nehru and by many other people very recently. I would like those individuals to tell me on their own time when in the past few years Prime Minister Nehru has criticized the Soviet Union or any of the Soviet leaders in the terms and in the words with which he has criticized and attacked this country continuously, beginning, as I recall it definitely, only a short 2 years ago when he, in effect, accused President Eisenhower of being a warmonger and claimed that his election was a threat to the peace of the world. That was in February 1953.

Mr. Chairman, I am not opposed to India. If she wants to go her own way, that is fine. What I am opposed to, though, both in respect to India and in respect to Yugoslavia, is the following: We have certain allies in the Far East and in other parts of the world, including Pakistan, Thailand, and the Philippines, all-out friends in the Far East. Let us keep those friends and let us confine our aid to them. Those countries that want to be neutral, really neutral, such as Sweden or Switzerland in Europe, or Burma in the Far East, let us respect that neutrality. Let us not keep on trying to bribe them to change their course. But those countries that have one foot on one side of the Iron Curtain and the other foot on the other side of the Iron Curtain and their hands out both in Washington and in Moscow, I think we ought to tell them to make up their minds which way they are going before we start pouring money into those countries.

Why is it necessary, in the case of India of all countries, to give this type of assistance to her, $70 million to India for this development assistance, when she is the only country in the Far East getting that kind of money, except a million dollars for Nepal? In India you have a Socialist type of government, you have a government which has deliberately discouraged private investment, foreign private capital, from coming into the country and doing a job that could be done much more efficiently and much more economically than most of these programs here provide. If you vote the $70 million to India—the committee must work its will on that issue—I would like to point out to the Members then you should be prepared to pay subsidies to any other Socialist government who cannot do the job, who bars foreign private capital investment, and therefore we have to come in and we have to fill up the vacuum.

In conclusion, I would like to say to the committee that I do not have any illusions that the amount or pretty much the amount of this foreign aid bill, $3.2 billion, is not going to be approved. But I would like to remind the members of the committee, particularly my good friends on the right, of one thing. It was not too many months ago that there was talk and discussion of a $20 tax cut. If you take one hundred and sixty or one hundred and sixty-five million people in the United States and you divide that number of people into $3.2 billion, which is what you are voting in new money for foreign aid, you come out to about $20 for every man, woman, and child. That is approximately the amount of new money contained in this bill.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman from Michigan [Mr. BENTLEY] properly said that there was no development assistance for Asia in this bill for any other country than India except $1 million for Nepal. But that is not quite the full story—in this sense. Last year when Pakistan entered into a mutual defense agreement with us, we moved over into the category of defense support, what otherwise would be called development assistance, and in this bill Pakistan, with one-fourth of the population of India, is getting $63 million for the same sort of program as India's development assistance.

Mr. HAYS of Ohio. I thank the gentleman.

I would like to point out in opposition to this amendment some of the graphs and bars on this chart. I think that was one of the most effective things presented to the committee. You will find it on page 63 of the hearings. The chart is reproduced, and it shows the more developed the country, the better customer it is, and that is exactly what this money proposes to do for India, which is certainly one of the underdeveloped countries of the world. You will notice that Canada, which more nearly parallels our development, is our best customer, and it goes right on down the line. At the bottom of the list is Pakistan, and next to Pakistan is India.

What do we propose to do with this money? The gentleman from Michigan made a point. He said that we must frankly admit that we are subsidizing a Socialist government. I do not think that is true at all. As a matter of fact, if we can go in and get at the source of some of the things that make India a country of low income per capita, we can encourage those people in capitalism. Certainly they had a Socialist government for a while in Great Britain, but we did not break off relations because of it, and I am happy to say that it was partly due to our influence and partly due to the fact that we made such a remarkable recovery in this capitalist country after the war that the British threw out the Socialist government and put in a government which is certainly in favor of the capitalistic system. I would like to believe that was part of it, and I believe it was. I do not say that I or any other Member of this Congress influenced the British elections, but the British people saw for themselves what you can accomplish under one form of government and what you can accomplish under another, and they chose the one that they thought they could get the most from in the way of a standard of living.

Mr. JUDD. Mr. Chairman, if the gentleman will yield further, is it not absolutely necessary for a poor country to get capital from somewhere, and if it cannot get it from abroad in the form of development assistance, loans, and grants, it has to use socialism and do it in a way that amounts to government ownership and operation?

Mr. HAYS of Ohio. It has to get it someplace. One of the programs I approve of that has been put into effect by this mutual-security program was the program teaching the people how to grow more wheat per acre. In one area in India we sent people in there and had them raise the production from 4 bushels to the acre, which is mighty low, to 12 bushels to the acre, which is not very high by our standards. But, it was a threefold increase. If you want to really strike at the roots of communism, if you want to strike at the base of communism, the thing that makes communism thrive and take root, you have got to strike at situations in countries like India where the people's standard of living is almost so low as to be nonexistent, and I think we can get a little more for our dollars comparatively by spending $10 million, yes, to do away with malaria, and another $10 million to develop wells in India and to just raise that minimum a little bit, perhaps, than we can by spending billions of dollars for atom guns and bombs and tanks. If you do not have communism in the first place you will not have to fight it in the second place.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Indiana.

Mr. ADAIR. The gentleman was talking about increasing the production of wheat in certain areas, something we are all in favor of, of course. But I ask the gentleman if it is not true that that is very largely a program of technical cooperation and that is not touched by my amendment.

Mr. HAYS of Ohio. That is true, it is not touched by the gentleman's amendment. I thought that is what the gentleman was going to say. But you can call this whatever you wish. You can call

it a development fund, you can call it a technical assistance fund, you can call one of them a development fund and the other a technical assistance fund. But when you get to sorting out technical assistance from development, I defy any Member to tell which is which or how to label one or the other, because they both fit into the same classification. They both have the same ultimate objective and ultimately they both do the same thing. So you are really crippling technical development when you cripple this fund.

Mr. CHRISTOPHER. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Indiana [Mr. ADAIR].

Mr. Chairman, as I stay on the floor of this House, I watch the amendments come to the Clerk's desk, offered by men who will refuse to vote for a piece of legislation even if their amendments are accepted. Mr. Chairman, that is the acid test. If I offer an amendment to a bill on the floor of the House and the amendment is accepted, I shall vote for that bill on final passage. As I say, that is the acid test. I am tired of seeing men just trying to cut the corner off a measure here, cut the corner off a measure there, hamstring it down next to the floor, draw it and quarter it little by little in order to destroy it; not because they want to make it a better piece of legislation, but because they are in opposition to it and were when it came to the floor, and would still be in opposition to it if there were not a scrap of it left any bigger than my fingernail.

So far as this money for India is concerned, I am inclined to look back down the path the human race has followed, look away down that path, until it is lost in the fog and dust of antiquity; and all along that line that we have gone all through the years and the ages, by the side of that road that humanity has followed up to the place it occupies today, you can find the whitened skeletons of nations and empires that have been destroyed by cupidity and greed and avarice and tyranny. But I defy the gentleman from Indiana [Mr. ADAIR] or any of the gentlemen on the floor of this House to point to one nation that has been destroyed by brotherly love and charity and the spirit of helpfulness, throughout all the ages.

A great statesman was born over here in Virginia and one of the greatest things he ever said was: "I have but one lamp by which my feet are guided and that is the lamp of experience. I have no way of judging the future except by the past."

And looking back into the past I think this Nation is charting a course that was laid down by the great Nazarene 2,000 years ago when He said: "Do unto others as you would have them do unto you."

The best prayer I ever read in my life was this—and it was short. A man got down on his knees and he said: "God, do to me today as I did to my fellow man yesterday."

Improve on it if you can.

Mr. MARTIN. Mr. Chairman, I move to strike out the last word.

Mr. MARTIN. Mr. Chairman and Members of the Committee, I share with you some of the prejudice, which is natural, from past statements of Indian leaders. But I am not one who would let my prejudices stand in the way of realism.

We are embarked upon a program and have been embarked upon it for a good many years. We have spent billions of dollars. We are making great progress. We find Europe in fairly good shape today, and we see the light dawning once more in Asia. We may be able to keep back communism in that vastly populated continent.

Having embarked upon these great programs involving billions of dollars, I ask you if it is wise to deny $70 million or to deny money to any of the countries that are in this program.

As I stated before, I share your resentment against some of the things that have been done by leaders of countries to whom we have given a great deal of money, but let us not forget we are in a war, a cold war, and it is approaching the time when the decision may be right ahead.

President Eisenhower is going to a meeting at the summit. There he hopes he can pave the way for peace and understanding in this world. I do not believe in Russia's word any more than you do. I realize they are almost impossible to live with. I also know that conditions in Russia today are such that they cannot be as bold and as defiant as in past years. The Russian people are showing the strain of trying to build up war machines in Russia and Red China. In their efforts to construct those machines, the people of Russia have been obliged to be denied many of the bare necessities of life. This they very naturally resent and question why the necessity.

As President Eisenhower goes to this meeting at the summit let us send him there without any handicap. He can be depended upon to use his power for the best interests of the United States. He will try to make the kind of understanding that will enable him to reach a condition where he can win this cold war for the free world.

There is a great danger involved in this amendment, and one which is to follow, relative to Yugoslavia in Europe. Naturally, I would like to spend all the money we send abroad to Spain, Greece, Turkey, Pakistan, South Korea, Formosa, and other stout allies and supporters. These are people whose loyalty cannot be questioned. But I realize there are many millions of people in India. All is not lost yet in that great country. They may yet see the real light America holds aloft. Then there is Yugoslavia, a country tied up as it is with Turkey and Greece. These are a bloc of countries which have been effective in the past. They are a powerful bloc in the days directly ahead. Let us not foolishly cast aside the second largest standing army in Europe.

It might bring remorse later. It is good judgment to continue the gamble. There is still a chance it may pay off. So I am opposed to this amendment. I believe it would not serve the purpose for which it was intended. The gentleman from Indiana is fighting communism and he is to be commended for his gallant fight. But he is not contributing to that cause when he denies a chance to win these millions of people to our side. These people are essential, they will be helpful if we are forced to fight a final battle for a free world. It is not over yet. It will not be over even after the meeting at the summit. We must continue to be watchful and continue to be strong. Having spent billions already, let us not hesitate when there is such a splendid chance of victory at an early date. Someday the light will come to the people of India and Yugoslavia. They will learn they will find much more freedom from their Western World associates. Nehru will not always be the head of that great Indian State, and if he does continue to be the head of that state, he will eventually be forced by the mighty voice of public sentiment in that great nation to change his tactics because the people of the world are going to know eventually that America has no ulterior purposes or motives. America wants neither land nor power. America simply wants to make this world safe for freedom and to make it safe for the common people everywhere. This mighty truth will eventually percolate to the great masses of these wavering countries.

Mr. JUDD. Mr. Chairman, will the gentleman yield for a question?

Mr. MARTIN. I yield.

Mr. JUDD. Is it not true that whatever Mr. Nehru may say publicly regarding international matters, including international communism, he is bitterly and strictly anti-Communist at home and that communism is losing ground within India itself?

Mr. MARTIN. I am not acquainted with Mr. Nehru and I do not particularly care to be. I do not care too much what he says. I am not thinking of Nehru—I am thinking of the people of America and the people of the free world everywhere. What is best for the free world is what guides me in opposing this amendment. I think to adopt this amendment would be unfortunate. As President Eisenhower goes to the summit, it would be unfortunate to have his hands tied. Coming at this time, the amendment is particularly unfortunate. It would erase all the goodwill and understanding developed in the past. We are not giving India arms. We are giving only point 4 aid to lift their standards of living and make the country less fertile soil for communism.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DIES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I appreciate the high and noble sentiments expressed by the minority leader. I realize that the administration believes this program is helpful in the struggle of the free world against communism. I also realize that the President of the United States can be mistaken. He was mistaken in 1944 and in 1945. I have some excerpts from statements that he made and letters that he wrote and speeches he made in which he disclosed his misunderstanding of the true purposes of Communist Russia. He was not the only one mistaken. But he

said that we could coexist with Russia; that Russia had peaceful intentions and ideas; that there was no reason we could not do business with Russia. Of course, I am not condemning him because of his errors in judgment, but the fact that he was mistaken tragically at that time, certainly does not cause me to believe he is infallible at the present time. I am thinking of my children, of my grandchildren, and of future generations. I have been in this Congress since 1931 and I remember when the first bill came before us to appropriate public moneys to relieve distress in this country. I remember the misgivings among the Members of the Congress because we proposed to appropriate $300 million. I remember during that period how careful we were with the people's money.

Members would stand on the floor and say: "Where are we going to get this money? Can we justify this expenditure? Is it right to spend the taxpayers' money for this project?"

Then I have seen this idea of spending money grow by leaps and bounds, until our Government seems to lack any comprehension of the consequence of our commitments. In the imortal words of Alexander Pope:

Vice is a monster of so frightful mein,
As to be hated needs but to be seen;
Yet soon too oft, familiar with her face.
We first endure, then pity, then embrace.

We have contracted the habit of spending vast sums of money until we are now at a state where we spend it in a country that is not friendly to us, a nation whose official hates us, and collaborates with a potential enemy, and issues a joint statement that we ought to surrender Formosa.

How far can we go, a Nation that owes $280 billion, a Nation whose citizens are now staggering under the greatest tax burden that any people ever endured? Just what concern do we have for the Nation's posterity, and what will they say of us when we continue to insist that the whole world ought to be the recipients of their bounty, and we lack the honesty to vote taxes to pay for it? I would not object as much to this program and many other projects if we would have the honesty and the decency to come in and say: "We are going to spend this money because we think it is necessary, but we are going to tax this generation in order to pay for it."

I realize that in times of war and great emergency you have to borrow money, but we have been passing through the most prosperous period in the history of America, and we continue to pile up a deficit. Though the President was elected on a program of sound fiscal policy, though that was the basic platform that attracted to the Republican banners in Texas and all over the country literally thousands of former Democrats, it is discouraging to me that the Republican Party now finds itself failing to stop inflationary policies which they denounced and against which they campaigned 2 or 3 years ago.

The CHAIRMAN. The time of the gentleman from Texas [Mr. DIES] has expired.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, generally speaking, the distinguished gentleman from Texas [Mr. DIES], who has just addressed us on the question of deficits, taxes, and economy, is right. There is no question about that. There is a payday down the road ahead for this country. The same thing applied to the defense bill that came up this morning. I did not hear him say anything about that. I did not hear him say anything about all these appropriations of $340 billion for defense. I imagine the reason he did not say anything was because he felt it was necessary for the security of the United States, and that we had to pay the price.

If this bill can stand at all it must stand on this basis, that it is for the best interests of the United States, and it is part and parcel of our defense program. I stand on that ground. If that position is sound, if the majority of the Members believe that position is sound, this bill will be passed by this House. If they do not think down in their hearts that it is sound, I believe they will vote it down, and they should vote it down.

Somewhere along the line somebody has got to pay the piper. We have got to pay these debts, we have got to provide these appropriations, or we may be faced with a war that will take away everything we have and we will have to start all over again if there is anything left to start with.

Those are the issues.

Those who are opposed to this bill are using the vehicle of this amendment applying to India. They say some personalities in India are not friendly, that Nehru has not done this or that. Personally, I do not like Mr. Nehru; and Mr. Menon, his representative who is going around the world, I think down in his heart is a devoted Communist leader. I like him still less. Someday the folks who are wining and dining him will find Menon out. He is not true to India or to the United States, and I do not believe our people or his people know it.

Now, I served in the United Nations with this gentleman; I heard him express his opinion day after day, and I talked with him. My opinion is that Mr. Menon does not speak the spirit of India. I never met an Indian in official position, there might be one or two exceptions, except for Menon and Nehru, for whom I did not have the highest respect, even affection. The Indians are a fine and a great people, and the problems of those 400 million people on the borders of the Iron Curtain, if you please, astonish you the more opportunity you have to observe them.

The heart of India is on the side of democracy, no matter what her leaders say and how forcefully Mr. Menon may try to betray them.

Mr. Chairman, the basic purpose of this bill is to increase the security of the United States and at the same time show to the world that the milk of human kindness mentioned a while ago by our friend from Missouri still flows. This is casting bread upon the waters. Some day the bread will return to us and we will be repaid manyfold; but do not let personalities determine your opinion on this issue.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. BURLESON. We all realize, of course, that this is not a bill to support the domestic economy of the United States, but is it not true that in the printed hearings the testimony shows definitely that $3 out of $4 expended in foreign aid has gone into the economy of the United States? And then, in response to my good friend and colleague from Texas, much as this program has contributed to all segments of the economy of this country it helps enable the people of the United States to pay the taxes which have been imposed upon them.

Mr. RICHARDS. There is no doubt about it, much of the expenditure for foreign aid under this bill returns to the rank and file of the people in the United States eventually. I did not want to argue for this bill on that basis, but that is true, and you can add that to the fact that it is in the interest of the welfare and the best interests of this country.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

(On request of Mr. DONOVAN, and by unanimous consent, Mr. RICHARDS was allowed to proceed for 3 additional minutes.)

Mr. DONOVAN. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. DONOVAN. I do not think it has been brought out in the debate so far on this amendment, but I ask the gentleman if the records before the committee do not show that last year India alone supplied to the United States, in quantitative terms, 41 percent of all our manganese imports; 68 percent of our kyanite imports; 67 percent of our mica imports; over 95 percent of our jute-manufactures imports?

Mr. RICHARDS. I remember hearing those figures; I think they are correct; I know they are substantially correct.

Mr. DONOVAN. As long as the gentleman has yielded, I suggest that the Committee bear those facts in mind as it votes on this amendment.

Mr. RICHARDS. And I hope everyone will bear in mind these strategic materials which we need so much for our economy and which come from India.

To adopt this amendment would be to help push India behind the Iron Curtain.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. Did we pay additional sums for that or did we get credit on the aid fund to pay for those supplies?

Mr. RICHARDS. There is some barter, I believe, but most of it is paid for.

Mr. WINSTEAD. Most of it is paid for?

Mr. RICHARDS. The fact is they sold most of it to us and not to the area behind the Iron Curtain.

Mr. WINSTEAD. I have a lot of respect for our chairman, but it seems to me we should work out some exchange proposition so that we get credit for some

of this money in these trades that the gentleman speaks of.

Mr. RICHARDS. I think so, too, but I might mention that there are $30 million of surplus farm commodities in this program for India.

Mr. WINSTEAD. Well, let me reply to that.

Mr. RICHARDS. I have to yield to the gentleman from Texas now.

Mr. DIES. The gentleman knows that I have a very high respect for him and a very deep affection for him. I think he is utterly honest. But the truth is if what the gentleman says is true that we need this program today, we are going to have to have it as long as the cold war exists; is that not true?

Mr. RICHARDS. We are going to have to have it as long as this House and the other body consider it necessary for the security of the United States. The same thing applies to the defense program.

Mr. DIES. The gentleman does not quite answer the question forthrightly. What I want is this: If there is sound reason for the program today, those reasons will exist until the Communist menace is disposed of?

Mr. RICHARDS. In a degree, yes. Next year it may not take but a billion dollars; some years it might not take anything, but until international communism is licked a program like this is necessary.

Mr. DIES. Why not be honest with our people? We told them in 1945 it was a temporary program. Let us tell them the truth now, that we are embarking upon a permanent program.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. CHELF. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. NICHOLSON. Mr. Chairman, I object.

Mr. GAVIN. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I have listened very intently to the debate today and some very sound reasons have been developed here in the last few minutes in this discussion about our national debt of $280 billion. All of us can see great merit in most of these foreign aid programs; however, no one seems to be concerned about the national debt, how it is going to be paid, the tremendous responsibility that we are passing on to generations that follow, the legacy of debt taxation and frustration we are leaving to them, the back-breaking burden of debt they will be compelled to carry for many years to come. I wonder how many in this House would vote for these foreign aid programs if there was an accompanying tax bill with the program to put it in the annual budget set up and paid for each year?

Recently I was in one of the countries in Europe and discussed some of these programs with their representatives and they said: We do not have any difficulties with various suggested programs or projects because when anybody introduces a legislation for a program or project the costs and amount of money are determined and it is then required that they introduce an accompanying tax bill to raise the money to take care of the program or project when it is being developed. He said, therefore, we do not have any legislation introduced for projects because they are fearful of introducing legislation to increase taxes to take care of it.

Now, nobody wants to vote for legislation for increased taxes. Everybody introduces legislation to spend money. They shy away from tax legislation, as it would be politically unwise. During the war I got into a discussion on subsidies. I said, "Yes, I voted against agricultural subsidies because we did not pay for the subsidies as we went along." This occasion was right after the war. I said, "It was all right to spend the money for subsidies, but we put the payment off until a later date, adding it to our national debt." I said, "You folks have been home here, you have had good wages, the highest wages you have ever had, but you did not pay your bills as you went along the way. Now you are going to ask the boys who did the fighting to come back, take off their coats, go out and find a job, earn the money to pay the taxes to pay for that which you have spent while you had security at home."

I said, "You were not going in at the Anzio beachhead or Normandy to get your insides punched out. You were not getting blasted out of the sky from a plane. You were not chancing suffocation in a submarine at the bottom of the sea. You were home. You had security. But you did not pay your bills." And that is exactly what we are doing here today.

Now, if the Congress passed favorably on accompanying tax legislation to pay for these programs as they are presented to you here, and you took it out of your budget each year, or you brought an accompanying tax bill in for each program or project to pay for it, I wonder how many of you would vote for the tax bill to pay for it. Why, you would not have any legislation before you such as you have today. So, what are you doing? You are adding onto an overburdened debt that the generations that are to come after us will have to pay. I just wonder, if there was a tax program accompanying this $3.5 billion security measure, how many would vote for it here today. But, you are putting it off for another day; you are adding it onto a burden that is going to break the backs of the youth of America for the next 50 to 75 years. Now, it is all right if you want to do it that way, but there are some of us who cannot quite agree with that procedure.

Now, about our President. He is a great leader. He is turning in an outstanding and a magnificent performance. We should be thankful to Almighty God that we have him at this time to direct the affairs of our Nation in a chaotic world. His vast experience in world affairs, his knowledge, and his leadership eminently qualify him to lead the Nation at this time. The people of our country have every faith and confidence in him. He has earned, and he deserves, the great respect, thanks, and hearty commendations of the people of our Nation. His great objective is to do all things for the good and welfare of all of our people, and to lead a war-torn world to stability and peace.

But occasionally we differ on our thinking on some of these matters, and therefore we, too, have our opinions to express about this $3,500,000,000 program. You have $8,715,000,000 authorized, but unexpended, and this will bring it up to $12,200,000,000, and it is my thought for the time being $8,715,000,000 should suffice. Even at $8,715,000,000 it would take you 2 years to spend it. Why not reconsider it? Review it in another. Take the opportunity to think the matter over more carefully. But, no; you have got the pipelines to fill up; you are going to keep 3 or 4 years of spending ahead; you are going to see that this is an annual program, as it has been for the past 10 years; you are going to see that this program is going to be carried on indefinitely. And I honestly think this is the thought in the minds of many, that it is going to be part of your annual budget setup. Foreign aid is going to be just the same in our annual budget as the judiciary and the Department of Agriculture, the Department of Defense, or any other branch of the Government. So, think it over. You are going to be the one that is recorded, and your vote will be so recognized as to how you stand and what position you take on this matter.

Mr. RICHARDS. Mr. Chairman, I would like to see if I cannot propound a unanimous-consent request limiting debate.

Mr. DAVIS of Georgia. Mr. Chairman, if the gentleman will yield, I have been waiting here until the members of the committee finished their debate on this bill. Some of them have had 5 minutes, some 10, and they have had all they want and are now apparently finished and want to cut some of us off who are opposed to this heavy spending program. I would like to have 5 minutes myself.

Mr. RICHARDS. Mr. Chairman, I certainly have no intention of trying to cut the gentleman off. I just want to find out how many wish to speak so that the other Members can tell where they are.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes, 5 minutes of which is to be allotted to the gentleman from Georgia.

The CHAIRMAN. That cannot be done on a motion. Does the gentleman withdraw his motion?

Mr. RICHARDS. Yes, Mr. Chairman.

Mr. JARMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my contribution at this point will be very brief and I shall not consume 5 minutes of time.

I have listened with interest to the gentleman from Pennsylvania [Mr. GAVIN] who spoke just a moment ago. He has spoken several times on the bill. I have been impressed with the eloquence of his remarks in opposition to the bill that is before us, as I have also

been impressed with the very strong and eloquent opposition of several other Members of our body.

The thought that has struck me forcefully, Mr. Chairman, is that we all recognize that the best, the most efficacious, the most practical time in which to work out all parts of a piece of legislation is when a committee sits day after day and sometimes nights hearing witnesses and carefully working out each part of a bill to be brought to the floor of the House.

Mr. Chairman, I am surprised that some of the gentlemen who have spoken in such strong opposition to this bill have not taken the time to make an appearance before the Committee on Foreign Affairs during the 10 days in which we conducted night and day hearings. I would point out to the membership of the House that the committee heard 48 witnesses during that 10-day period and every witness who appeared before the committee testified in favor of the legislation. Not a witness appeared in opposition to the proposed legislation.

I should think that if some Members of the House felt as strongly in opposition to this proposed legislation, the mutual security program, as to foreign aid in its entirety as has been expressed, that at least one of those Members would have appeared before our committee and aided us in our deliberations by presenting the views they have so eloquently presented here on the floor of the House.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, there have been no new arguments developed on the floor today. I say this for the benefit of new Members of the House. We have heard the same arguments here today that we have heard every year when various items of authorization or appropriation have come up on this program.

All this talk about what we are doing to succeeding generations can be answered by one simple illustration. Let us assume you had charge of a brand new baby just born into this world. You can make him a citizen of any country in the world. You select the country. Is there anybody in this room today who would select some country other than the country that lives under the glorious Stars and Stripes of America? That is your answer.

It is all very well to talk. My good friend from Pennsylvania [Mr. GAVIN]—and he is a good friend of mine—went on to say further that we have a great man leading us. I wonder when he is going to start going along with him. Here he makes a speech on the floor of this House in opposition to a bill the very idea of which comes from the President of the United States.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from California.

Mr. JOHNSON of California. I think what we are doing in this bill is safeguarding the right of that baby to live.

Mr. RABAUT. Well the gentleman has his opinion, but that baby will live in security as long as we have a Congress here that will look out for this Nation and plan to preserve its Government in harmony with the liberty-loving countries of the world.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In connection with the pending amendment I respectfully call to my colleague's attention the important fact that the one overshadowing question we should have in our minds is what is in the national interest of the United States. I have that emotional reaction to utterances made by leaders of other countries the same as my friend, the gentleman from Texas [Mr. DIES], but I have to try to lift myself above that. I have to try to look a little bit into the future and see history in the making, to see what is for the national interest of my country. Sometimes we can follow that national interest through principle, sometimes we have to follow it through policy. Other times we have to follow it through expediency. But whatever it is, we should always act for the national interest of our country. I hope this amendment shall not be adopted.

Mr. RABAUT. I thank the gentleman for his contribution.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. DAVIS of Georgia moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. DAVIS of Georgia. Mr. Chairman, the charge has been made against a number of the supporters of this amendment that if the amendment should be adopted they would still vote against the bill. I do not support this amendment in that spirit. I have voted for these various mutual-aid bills since 1947. It is true that I have in all instances tried to hold them within what I considered to be reasonable amounts, and that is my position on this. I do hope we can reduce these figures at several places in this bill and particularly this place.

This point 4 program or so-called technical assistance program started out in 1950 to be an inexpensive program as a good-neighbor policy to help some of the undeveloped, underprivileged countries of the world, to raise their living standards.

The first amount which was suggested in 1950 for 1951 was $16,359,000, and that is found in the hearings in 1950 for 1951. By the time it got around to the appropriations stage it had increased to $26 million. Since that time it has been expanding year after year just like a mushroom growing on a foggy night.

In the first year the amount which was set aside for India was $634,000. The second year it was raised to $5 million, the third year to $54 million, and the fourth year it was proposed to raise it to $77 million. We cut it that year. I offered the amendment myself to cut the $50 million from the Asia and Pacific appropriation, and it passed by a vote of 171 to 121.

One of the committee members who is speaking against this amendment made the statement a few minutes ago that whether you call this program that is now under consideration development assistance, technical assistance, economic aid, or what not, they are all intertwined and you cannot tell one from the other. Well, that is the trouble about this kind of thing. It starts off in 1950 with a foot in the door of $16 million and it winds up here with goodness knows what. Nobody knows at this moment just what the figures are in this bill that will go to these various programs which are really a Joseph's coat with a color for everything and a new name for a new experiment every year.

Here is one instance and one indication of the growth and expansion of this program. On pages 434 and 435 of the hearings this year, we find a list of the countries who are getting technical aid and technical assistance under two programs—the United States program and the United Nations program. There is still another program which is called the Organization of American States, and some of these nations are getting this aid under three programs. Some of it is overlapping and the United States is contributing the taxpayers' money to every one of the programs. In these 2 pages, there are listed, as I have mentioned, 62 of the countries which are drawing technical assistance from the 2 programs of the United States and the United Nations. There are 44 other countries listed on these 2 pages which are drawing aid from 1 or the other of the programs or a total of 106 countries which are drawing this so-called technical assistance all over the face of the earth, and a majority of them drawing from at least 2 programs of technical assistance.

We have heard it said here today that this program should be continued for a variety of reasons. One proponent says that we do it because it helps us in trading with these programs, and they show us a chart to show us how it helps in our trade. Maybe there is something to that chart and maybe there is not—I do not take much stock in it. Another Member says we do not do it to gain friends at all—why, that is out of the question, they say—we do not expect to gain friends. Well, then, what are we doing it for? This is costing us money and we certainly ought to hold this thing within reason. On page 13 of the bill, there is a $200 million fund called the President's Fund for Asian Economic Development, and if we cut this $70 million out and it

turns out that there is any real need for it, the President can take some of the money from this fund for Asian economic development which amounts to $200 million, and use it there. I say that this amendment should be adopted, and I am in favor of it.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, as many of the other Members of the House, so too have I been deeply disturbed by some of the statements made by Nehru and by Krishna Menon. I am certain you will agree with me, however, that we are not concerned at this point with the question of providing semething for Government officials of that, of any other nation. The program before us is intended to help the entire Indian nation—the people of that country.

Now some government officials may say some things which do not please us. Public officials may change, they may come and go. We must remember, however, that the nation always remains. In this program we are dealing with a nation—not with a couple of individualistic individuals.

Our point 4 program was instituted with the expressed purpose of enabling underdeveloped areas of the world to help themselves—to improve the well-being of their peoples with least amount of outside assistance. This program has proved sound and successful. In the case of India, that country has financed 85 percent of all the development expenditures expended within its borders. This is an impressive record.

Now one of the questions which has been asked of me is whether any part of the $70 million which the motion under consideration wants to delete from this program, is for military assistance to India.

The answer to that question is "No." I can assure you that the funds are provided for development assistance. They are intended to aid the economy of India.

It is proposed to devote a total of $10 million to the field of agriculture and natural resources, including $4 million for fertilizer to meet the rising demand before the completion of additional manufacturing facilities; $4 million for additional deep irrigation wells in the areas shown by the exploratory program to justify the drilling of production wells; and $2 million for river valley development to assist in further expansion of irrigation.

To meet the expanding demand for power as industrial development progresses, $5 million assistance in the construction of electric power facilities is proposed. Further support for industrial development is expected to take the form of steel in the amount of $15 million, to help meet the shortage in India. Some part of this may be used, however, for aid to small rural industries by supplying equipment and making possible increased employment in rural areas.

Assistance in the field of transportation is proposed in the amount of $6 million; this will support agriculture, mineral, and industrial development as well as foreign trade. This would represent a continuation of the program to rehabilitate the Indian railways. It is planned that steel for fabrication of railway rolling stock in India and equipment to expand freight-car fabrication in India will be supplied.

Four million dollars is to be used to further extend the area of malaria control during fiscal year 1956.

Let us remember that there are some 375 million people living in India. Many of the basic needs and wants of those people are not satisfied because the economy of that country is not fully developed. Unless outside assistance is secured to aid in the development of the economic potential of India, the present unsatisfactory conditions may be perpetuated and lead to some very disturbing and unwelcome events.

I am certain that many of us will recall the charges made during the past two campaigns—charges which were unfounded—to the effect that the former administrations have allowed many once-free peoples to be drawn behind the Iron Curtain and behind the Bamboo Curtain. When we vote on this amendment, we ought to remember that we may be placing upon our shoulders the responsibility of someday answering the question whether our votes helped to drive 375 million peoples into the Communist fold. I earnestly hope that the opportunity of asking that question will never arise. I am certain that no one would like to see India, a large and important nation which has a tremendous potential, fall under Communist influence.

The fact remains, however, that India does need outside assistance to develop her potential. This is a fact which we must face squarely and honestly.

Now a word more about Mr. Nehru.

On two occasions during the last Congress, I participated in special study missions to the Far East, and our subcommittee had an opportunity to confer with Nehru. Although Mr. Nehru at times leaves people with the impression that he does not fully appreciate all the ramifications of the international Communist movement, I am certain that we will all agree that he has a pretty definite and thorough understanding of the threat of domestic communism. His actions in this regard frequently speak louder than his words. His words at times appear to be intended strictly for domestic consumption. Maybe that is why they sound a bit strange to many of us.

There is a final point that I would like to make. India, as we all know, is located near the borders of Communist China. The Chinese Reds, with the help of the Soviet Union, have been trying to make an Asiatic showcase out of the mainland of China. They are reportedly undertaking many projects to develop the economy of that nation. They want to show the rest of Asia that communism brings ample material rewards to its followers.

Before voting on the amendment before us, let us pause for a moment and consider this situation. The $70 million of development assistance which is at stake can help India to improve its economy and to remain a democratic country—even though she may choose to remain a neutral democratic country. Without the assistance, the Indian nation may face a much rougher going in the days that lie ahead.

Needless to say, many eyes in Asia are focussed on India and on Red China. If the Indian economy should falter badly, while Red China is making some material progress, what conclusions will the onlookers reach? It seems to me that many of them may be tempted to believe that Communist China may be following the right kind of a philosophy because its philosophy—at least on the surface—appears to pay off in material betterment. Let me assure you, there are very few things which appeal more to the needy, the underprivileged, than a promise of attainable material progress.

In voting on this amendment, we could very well decide whether India or Communist China will become the symbol of a successful nation to the other peoples of Asia. For that reason, and even though many of us may be displeased with some of the remarks of India's leaders, I think that it behooves us not to discontinue a program that has proven successful thus far.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. ZABLOCKI] has expired.

The question is on the preferential motion offered by the gentleman from Georgia [Mr. DAVIS].

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I wish many of the Members could have been with me last Sunday. A committee from the Committee on Agriculture was down in the small farm area of the great State of Texas, and we visited with many farmers there who were having a most difficult time getting by, due to the acreage reductions, and the fact that they were faced by this same administration setting a policy of cutting down the income of the American farmer, the small farmer, at the same time they were advocating the spending of money to improve conditions in foreign countries to put in irrigation, to buy fertilizer, to provide technical assistance to produce more crops of the same kind of which we now have a surplus. That does not make sense to me.

Like the gentleman from Georgia [Mr. DAVIS], I have gone along and voted for mutual aid and the foreign aid program. I believe in brotherly love. I believe in charity. I believe in helping people who need help. I believe in trying to strengthen the people who will be our allies. But in this particular instance, and the reason I am supporting this amendment, I have no assurance that the people we are endeavoring to support and whose economy we are trying to increase at this time are going to be on our side. The chairman of the Committee on Foreign Affairs has admitted that the people who speak for India at this time at least are not speaking in very complimentary terms of the United States, but on the other hand have shown an inclination to go with our potential enemy.

We have this situation facing us: Do we want to go ahead and increase the

surpluses we are now trying to get rid of? We know the economy of those farmers I met last Sunday with other members of our committee, we know that until we get rid of these surpluses through export we are not going to solve their problem. We know this production we are striving to bring about through this $70 million we propose to cut out by this amendment, will be in direct competition with the products of our farmers and make it more difficult for our farmers to come back.

I went along with this program on the theory that it was going to be reduced. I voted for it and I expect to continue to vote for foreign aid. I do not admit to the charge that I am here trying to wreck this bill. I say I am trying to improve this bill, trying to be realistic, trying to do something that will help the economy not only of the whole world but also of this country and particularly the economy of the small farmers here in America.

The CHAIRMAN. The gentleman from Mississippi [Mr. WINSTEAD] is recognized.

Mr. WINSTEAD. Mr. Chairman, reference has been made a number of times to the expenditure of the Military Establishment of this country. I happen to be a member of the Armed Services Committee. I can assure this House that it is so involved and so expensive and spread out so far that I doubt if there is any member of our committee or anybody in this country who is familiar with all the projects we have under the defense program.

We have not discussed all of it. Following this bill we will have the Reserve bill calling for 2,900,000 reservists for our Military Establishment.

I say that if we did not have more than $8 billion of unexpended appropriations money for this program I would feel differently about the bill before us today. I supported the original Marshall plan. When it was originally presented to us we were told it would taper off after a few years. Secretary Wilson and Admiral Radford appeared before the Armed Services Committee and testified that they assumed we were now trying to have a leveling-off period in our military expenditures based on what they call the new look and the long haul; and they testified that as far as they could see in the foreseeable future for 10 to 50 years this is as near normal as we could expect expenditures of the Military Establishment to be. I think the President of the United States also had something to say to that effect.

The point I make here is that if we expect to remain strong and stay out of war, or win a war in case a war is thrust upon us, we must spend enormous sums on our own military program.

I would not attempt to take in some of these countries in working out a loan program. It is my opinion that any country that would receive these grants-in-aid over a period of years will lose self-respect. That is one of the reasons we have lost friends throughout the world. I admit I do not know much about them, but I know the story they put before my committee and your Committee on Foreign Affairs; they tell us they must have all this money, that you cannot reduce it. I have heard that argument these several years. There have been many times when they said that if you cut this a million dollars it would wreck the program; yet, as a matter of fact, they have not even spent the money that was allotted to them, but have carried over unobligated appropriations every year.

I say we could send this bill back to committee and still have ample time to bring out a better one. I think it will strengthen the hands of the President of the United States and our leaders in the State Department if they can tell these countries that Congress is about to rebel because of the size of our national debt and the heavy burden of taxation laid on our people.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, we must remember that on this amendment we would be voting a strong stand against the people of India if the amendment is adopted. If we single out any one free country in this legislation because of its leader's statements that we do not agree with on policy, and vote against assisting the friendly people of that nation, we have a good chance of turning the weight of a strategic free people against us. Therefore, we in the United States in our efforts for freedom and security in this world, and among the free countries of the world, want to sustain the free people of India as those people are our friends. We must remember that the Indian Government under Prime Minister Nehru is a democratic government, although not of our type. We should also remember that the Government of India is making great progress in the Far East, and is maintaining peace, order, and stability within India. The Indian people are solidly behind their government, so that India today is a stable democratic country, and has withstood internal discord and civil disruption through a system of free elections and popular government.

The other point I want to mention is this: The former Speaker of the House on this floor has said that the passage of this bill is a measure of support of the President of the United States as he goes to the meeting at the coming power conference at the summit in July. Of course, it is a measure of support of the President because it means if we do not back the President on his military policy abroad under this legislation we will be saying to the President and to every country in the world: The United States is withdrawing into the fortress of America, giving up its foreign bases and withdrawing from world participation in the defense of the free world. This would be a great encouragement to further aggression in many parts of the world where free peoples are threatened.

I shall vote for this bill because it is for the security of the United States of America and because it is backing President Eisenhower, and the security policy of this administration. Likewise it is backing the same security policy recommended by former President Truman and his administration, and also backing the Republican and the Democratic platforms, each of which have solidly endorsed this defense legislation.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I just want to point out that the amendment if passed will not help the small farmers; $30 million of this money is for the purchase of surplus agricultural commodities; therefore, if we pass this amendment and strike it out, it will do away with the $30 million we are going to spend for surplus agricultural commodities.

Mr. FULTON. If this Congress does not follow Eisenhower and the Republican and Democratic Parties on United States world strategy in defending this country, who are we going to follow? Who do these people in opposition want us to follow so far as strategy is concerned? The United States Congress has authorized this type of defense program since 1947, has developed it through the years. Some people say the program has gone far enough, and no further military commitments should be made to our allies and friendly countries in the free world. I do not believe we have a safe world yet, but when we are at the peak of United States and free world strength, this is not the time to quit the program entirely and stop the President in his strategic planning for United States defense. We in Congress should not say to the President that when you go abroad in the next several weeks there is going to be a lot of opposition to you and your position that you will take to the Four Power Conference. We should uphold President Eisenhower's hand with strength.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I yield to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, I appreciate very much the consideration of the gentleman from South Carolina, and will use the time for this purpose: It has been said here, as I recall, by one of the proponents of this $70 million figure: What does it matter what Nehru says about India's position. The people of India are the ones that we are looking to.

Well, now, the truth of the business is that the people in India do not know what this is all about, they do not know what is going on. I want to read from the hearings, pages 517 and 518.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. I would like for the chairman of the Committee on Foreign Affairs to tell us, if Mr. Nehru and Mr. Mennon do not have a right to speak for the people of India, who does have the right to speak with authority for those people?

Mr. DAVIS of Georgia. They are speaking for the people of India.

Ambassador Bowles had this to say. He was before the committee and was

being questioned about the Indian people and what they know about this, and he said in answer to a question:

I do not think down in the villages they are aware of the stand that Nehru is taking with Red China.

That is on page 518. Then the question was asked:

They do not even know that he is endeavoring to admit Red China into the United Nations or anything like that?

He said:

I do not think the average villager in the back country has ever heard of the United Nations. Once I went into an area on the west coast of India with my wife in a small boat—just the two of us. My wife could speak the language, and thus we could get along. They had never heard of an American Ambassador.

Now, with all the millions of dollars that we have been sending over there, in the back country they do not know what Nehru is doing about the admission of Red China. They do not know even, as Mr. Bowles said, that there is an American Ambassador over there.

Now, on page 126 of the hearings I will read you some more that was said about the impression that we made on India with these millions of dollars that we have given them. The gentleman from Minnesota [Mr. JUDD], was doing the talking. He said:

Last year I asked about Mr. Deshmukh's comment to us. The only thing in our technical assistance for which he had a favorable word was that he thought the student exchange program might have some benefit. He didn't have another single word in favor of our technical assistance.

Now, that is what the gentleman from Minnesota said on page 126 of these hearings. So, the truth of the business is we are not getting credit from the people of India for what we have been doing for them. We will not get it for the money carried in this bill, and Nehru and the other leaders are speaking for India.

Now, I called the Treasury Department yesterday and found that we have given away since 1945 $50,026,000,000. There ought to be a halt to it somewhere, and here is the place where I think we can safely reduce this bill by $70 million.

The CHAIRMAN. All time has expired.

Mr. LECOMPTE. Mr. Chairman, I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The question was taken; and the Chair being in doubt, the committee divided and there were—ayes 59, noes 104.

So the amendment was rejected.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sorry I did not have an opportunity during the debate on the preceding amendment to read what I am going to read to the House now. But, for the benefit of Members of the House, particularly those from the cotton-producing States where acreage is being controlled, where the production of cotton in the United States is being limited, I want to read some excerpts from a report of the Committee on Agriculture and Forestry of the other body under the chairmanship of the senior Senator from my State. This report is dated April 25 of this year and was written following rather extensive subcommittee hearings on the subject of cotton surpluses in the United States, and on ways and means of getting rid of our cotton surpluses.

This report attributes our buildup of cotton surpluses to several things, not the least of which they state to be increased foreign production of cotton. I read from this report:

Foreign countries, with suitable climatic and soils conditions for the production of cotton, and in need of an exportable commodity to provide them with needed exchange or barter in world markets, turned to cotton as a safe commodity to produce, because our fixed cotton-producing policy guaranteed them a market for their full production at profitable prices.

The committee goes further and says:

In several instances part of the expansion has been carried out with private American capital and with United States Government-financed technical assistance. In addition to the technical assistance the United States Government, through gifts, grants, and loans for economic developments, including irrigation facilities, equipment, etc., has actively and materially assisted the expansion of existing cotton-growing areas and the creation of new such areas in foreign lands.

Now listen to this. This is an official report of a committee of the other body and I quote further:

In fact, our Government is largely responsible for the increased foreign production.

Let us take the country of India. The figures show that the 5-year average plantings for the United States, from 1945 to 1949, in cotton, was 21,258,000 acres. Our 5-year average from 1950 through 1954 was 22,848,000 acres. Now what about India? India planted, during the 5-year period from 1945 to 1949, 11,306,000 acres, but they went up to 16,526,000 acres during the last 5-year period.

Who financed the planting of those new 5 million acres of cotton in India? We did, of course, with our tax money, we even taxed the Amercian cotton farmers to help do it. Sometimes I just wonder if members of our Committee on Foreign Affairs give any thought to the welfare of the American farmer when they think about subsidizing the production of cotton in other countries, and as a result glut the world market and make it necessary for us to curtail the production of our farm commodities at home.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield to the gentleman from Texas.

Mr. BURLESON. In the first place, I might remind the gentleman I do not entirely disagree with him and I do not take issue with the gentleman from Missouri [Mr. JONES] in what he said, because I have said before the committee for 5 years that we should be, over the long range, developing industrial products in many of these countries and trading our agricultural products to them for those products. It is that simple. So I agree with a great deal of what the gentleman has said and what the gentleman from Missouri has said.

However, let me remind the gentleman that when he talks about those cotton-producing areas, the cotton he is talking about in India and a great many other places is competing with Egyptian cotton; it is competing with cotton in Ethiopia and a great many other places—and some, I will admit, in the State of California and some in Texas, but not a great deal. The cotton from the gentleman's part of the country is the short-staple cotton. This is long-staple cotton, and it is used for an entirely different purpose. Therefore it is not in direct competition. If the gentleman would make that distinction in the thesis he assumes I would agree with him.

Mr. WILLIAMS of Mississippi. I was quoting as my authority a report of a Senate subcommittee, and that subcommittee did not take the same slant that the gentleman has just mentioned. Perhaps he would like to take issue with the Senate subcommittee report. I cannot agree with my friend from Texas.

Mr. RICHARDS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2090) to amend the Mutual Security Act of 1954, and for other purposes, had come to no resolution thereon.

COMMITTEE OF ESCORT

The SPEAKER. The Chair appoints as the committee to escort our distinguished guest into the Chamber the gentleman from Massachusetts [Mr. MCCORMACK], the gentleman from Massachusetts [Mr. MARTIN], the gentleman from South Carolina [Mr. RICHARDS], and the gentleman from Illinois [Mr. CHIPERFIELD].

RECESS

The SPEAKER. The Chair declares a recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 48 minutes p. m.) the House stood in recess subject to the call of the Chair.

VISIT TO THE HOUSE OF REPRESENTATIVES OF HON. U NU, PRIME MINISTER OF BURMA

During the recess the following occurred:

The Doorkeeper announced the Honorable U Nu, Prime Minister of Burma.

The Prime Minister of Burma, escorted by the Committee of Representatives, entered the hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the House of Representatives, it is my great pleasure, and I deem it a high privilege, to present our guest today, the head of a Government composed of proud people, a parliamentary Government, a friend of the United States of America, the Prime Minister of Burma. [Applause, the Members rising.]

The PRIME MINISTER. Mr. Speaker and Members of the House of Representatives, I have just had the pleasure of talking briefly with your colleagues in the Senate. As you know, we also have a bicameral legislature in Burma; but we adopted the parliamentary system of government, so that one of my duties as Prime Minister is to serve as leader of the majority party in our Chamber of Deputies. So it is a special pleasure to stand here before the sister branch of the United States Government.

I can tell your renowned Speaker that his reputation as a parliamentarian has been known to me for many years, and I must confess that I am pleased that our majority in the Chamber of Deputies is somewhat more substantial than his.

I promise you that my remarks will be far more brief than they normally are before the Chamber in Rangoon, but there is one thing that I should like to mention because it makes me feel very close to the United States. It is this: In the very early days of our respective histories as independent nations, even under the greatest stress, we both maintained our faith in the democratic system and in democratic institutions.

Like most fighters for independence, I studied the history of the American Revolution and draw sustenance from it. Therefore I am aware that in the darkest days of your revolution there were voices raised to advise you to forsake, for the time being at least, the methods of democracy in favor of some strong authority. But the founders of your country did not yield their faith. They dealt with the fearful, the apathetic, and even with the traitors, according to democratic principles.

As you know, our new democracy in Burma was seriously threatened by subversive revolt almost as soon as it was born. Communists and anti-Communists, both inspired from abroad, took up arms against our Government. For a while it looked as though all was lost. Like your revolutionary leaders, we were advised to abandon the principles of democracy in favor of strong-arm methods. But I am proud to say that we kept faith and stuck to the methods of democracy. We also treated the fearful, the apathetic, and even the traitors, according to democratic principles.

The history and experience of the founders of your country, Mr. Speaker, helped us to keep the faith during the darkest hours. For this, we shall always be grateful to the United States of America.

[Applause, the Members rising.]

The SPEAKER. Those who so desire may come up and greet the Prime Minister.

The Prime Minister of Burma stood in the well of the House and received Members of the House of Representatives.

AFTER RECESS

The recess having expired at 3 o'clock and 12 minutes p. m., the House was called to order by the Speaker.

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. CANNON].

TEMPORARY APPROPRIATIONS, 1956

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 366) making temporary appropriations for the fiscal year 1956, providing for increased pay costs for the fiscal year 1955, and for other purposes.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, reserving the right to object, this is the usual resolution that comes in every year when we have bills that have not been passed by both Houses or where conference reports have not been adopted. It also has a provision in it providing for pay increases that this Congress has passed. I will ask the gentleman from Missouri if there is anything else in the resolution.

Mr. CANNON. The gentleman from New York has very accurately outlined the situation.

This is the usual stereotyped resolution resorted to when supply bills have not been enacted by the end of the fiscal year and departments are without funds pending action by the Congress.

In all instances we provide for the lesser rate in House and Senate bills. No provision is made for new activities. The money is to be taken out of the eventual appropriation when it becomes available. Items not yet in any bill are provided for at the rate of the budget estimate or the current rate, whichever is lower. And the resolution expires on July 31 or on enactment of the annual bill.

Title II provides for retroactive increased pay for 1955 for the period extending from March 1 to June 30, inclusive. Provision is indefinite for additional needs but cannot exceed the cost of additional pay. Of course, provision is made for reports to Congress.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units in each branch of the Government, namely:

TITLE I—TEMPORARY APPROPRIATIONS

(a) (1) Such amounts as may be necessary (plus increased pay costs pursuant to law) for continuing projects or activities which were conducted in the fiscal year 1955, and for which appropriations, funds, or other authority would be made available in the following appropriation acts for the fiscal year 1956:

Departments of Labor, and Health, Education, and Welfare, and related agencies Appropriation Act;

Departments of State and Justice, the Judiciary, and related agencies Appropriation Act;

Department of Defense Appropriation Act;

District of Columbia Appropriation Act;

Public Works Appropriation Act;

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided for by the pertinent appropriation act.

(3) Whenever the amount which would be made available or the authority which would be granted under an act listed in this subsection as passed by the House is different from that which would be made available or granted under such act as passed by the Senate, the pertinent project or activity shall be continued under the lesser amount or the the more restrictive authority.

(4) Whenever an act listed in this subsection has been passed by only one House or where an item is included in only one version of an Act as passed by both Houses, the pertinent project or activity shall be continued under the appropriation, funds, or authority granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower.

(b) Such amounts as may be necessary for continuing projects or activities which were conducted in the fiscal year 1955 and listed in this subsection (1) at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, plus increased pay costs pursuant to law, or (2) in the amount or at the rate specified herein:

Legislative branch;

Funds appropriated to the President, Emergency fund for international affairs;

President's Commission on Veterans Pensions;

Export-Import Bank of Washington;

Small Business Administration;

Federal Civil Defense Administration, Civil defense functions of Federal agencies (Department of Health, Education, and Welfare functions only);

Department of Agriculture, Agricultural conservation program service (wind-erosion control);

Department of Defense, Government and relief in occupied areas;

Department of the Interior, Bureau of Mines, Conservation and development of mineral resources (Rifle, Colorado); Fish and Wildlife Service, Investigation of resources (International Convention for High Seas Fisheries);

Mutual Security programs, $200,000,000, to be expended in accord with provisions of law applicable to such programs during the fiscal year 1955 and at a rate for any individual program not in excess of the current rate therefor: *Provided*, That administrative expenses for such programs shall not exceed the current rate.

SEC. 102. Appropriations and funds made available and authority granted pursuant to this title shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this title, or (b) enactment of the applicable appropriation act by both Houses without any provisions for such project or activity, or (c) July 31, 1955, whichever first occurs.

SEC. 103. Appropriations and funds made available and authority granted pursuant to this title may be used without regard to the time limitations set forth in subsection (d) (2) of section 3679, Revised Statutes, and expenditures, therefrom shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 104. No appropriation or fund made available or authority granted pursuant to this title shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1955. Appropriations made and authority granted pursuant to this title shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this title.

TITLE II—INCREASED PAY COSTS

For costs in the fiscal year 1955 of pay increases granted by or pursuant to Public Laws 68 and 94, Eighty-fourth Congress, for any branch of the Federal Government or the municipal government of the District of Columbia, such amounts as may be necessary, to be determined and made available as hereinafter provided in this title, but no appropriation, fund, or authorization may be increased pursuant to the provisions of this title in an amount in excess of the cost to such appropriation, fund, or authorization of increased compensation pursuant to Public Laws 68 and 94, Eighty-fourth Congress.

SEC. 202. Any officer having administrative control of an appropriation, fund, or authorization properly chargeable with the costs in the fiscal year 1955 of pay increases granted by or pursuant to Public Laws 68 and 94, Eighty-fourth Congress, is authorized to transfer thereto, from the unobligated balance of any other appropriation, fund, or authorization under his administrative control and expiring for obligation on June 30, 1955, such amounts as may be necessary for meeting such costs.

SEC. 203. Whenever any officer referred to in section 202 of this title shall determine that he has exhausted the possibilities of meeting the cost of pay increases through the use of transfers as authorized by said section, he shall certify the additional amount required to meet such costs for each appropriation, fund, or authorization under his administrative control, and the amounts so certified shall be added to the pertinent appropriation, fund, or authorization for the fiscal year 1955: *Provided*, That any transfer under the authority of section 202 or any certification made under the authority of this section by an officer in or under the executive branch of the Federal Government shall be valid only when approved by the Director of the Bureau of the Budget.

SEC. 204. For the purposes of the transfers and certifications authorized by sections 202 and 203 of this title, the following officers shall be deemed to have administrative control of appropriations, funds, or authorizations available within their respective organizational units—

(a) For the legislative branch:

The Clerk of the House;

The Secretary of the Senate;

The Librarian of Congress;

The Architect of the Capitol;

The Public Printer;

The Comptroller General of the United States;

The Chairman of any commission in or under the legislative branch.

(b) For the judiciary:

The Administrative Officer of the United States Courts.

(c) For the executive branch:

The head of each department, agency, or corporation in or under the executive branch.

(d) For the municipal government of the District of Columbia:

The Board of Commissioners of the District of Columbia.

SEC. 205. Obligations or expenditures incurred for costs in the fiscal year 1955 of pay increases granted by or pursuant to Public Laws 68 and 94, 84th Congress, shall not be regarded or reported as violations of section 3679 of the Revised Statutes, as amended (31 U. S. C. 665).

SEC. 206. (a) Amounts made available by this title shall be derived from the same source as the appropriation, fund, or authorization to which such amounts are added.

(b) Appropriations made by, and transfers made pursuant to, this title shall be recorded on the books of the Government as of June 30, 1955: *Provided*, That no appropriation made by this title shall be warranted, and no transfer authorized by this title shall be made, after August 15, 1955.

(c) A complete report of the appropriations and transfers made by or pursuant to this title shall be made, not later than September 15, 1955, by the officers described in section 204, to the Director of the Bureau of the Budget, who shall compile and transmit to the Congress a consolidated report not later than October 15, 1955.

Mr. CANNON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON as a committee amendment: On page 2, strike out lines 13 and 14.

Mr. CANNON. Mr. Speaker, this amendment is made necessary by agreement today in both the House and the Senate on the conference reports on the Department of Defense Appropriation Act and the District of Columbia Appropriation Act. The resolution is no longer applicable to these bills and reference to them should be eliminated. I ask for a vote on the amendment.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1956

Mr. NORRELL, from the Committee on Appropriations, reported the bill (H. R. 7117), making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes (Rept. No. 1036), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. HORAN reserved all points of order on the bill.

DIVERSION OF WATER FROM LAKE MICHIGAN

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 293, Rept. No. 1037), which was referred to the House Calendar and ordered to be printed.

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3210) to authorize the State of Illinois and the Sanitary District of Chicago, under the direction of the Secretary of the Army, to test, on a 3-year basis, the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, and for other purposes. 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 Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto for final passage without intervening motion except one motion to recommit.

PRINTING OF PROCEEDINGS DURING RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings that took place during the recess may be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS BROUGHT IN UNDER GOVERNMENT ORDERS

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5560) relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes, 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, strike out lines 13 and 14 and insert:

"(b) The amendment made by subsection (a) shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after July 1, 1955, and before July 1, 1958."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. 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 Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, when H. R. 5560 passed the House it provided permanent authority for the duty-free importation of personal and household effects brought into the United States under Government orders. I explained the provisions of this bill in my remarks on June 23, 1955, when it was considered by the House.

Briefly, this legislation has been in effect on a temporary basis since 1942, and

under present law it is scheduled to expire today. The Department of Defense requested that the legislation be made permanent.

In making this authority permanent, our committee adopted an amendment which limited the duty-free privilege, under regulations to be prescribed by the Treasury Department, to persons in the service of the United States who return to this country upon the termination of an assignment of extended duty outside the country. The committee also was advised by the Treasury Department that in the administration of this law, the Department would ordinarily limit importations of liquor and tobacco products to the amount which may now be imported duty-free by returning United States residents who have made a trip abroad.

The only amendment adopted by the Senate is to make the House bill effective for a period of 3 years, instead of its becoming permanent legislation as passed by the House.

(Mr. JENKINS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JENKINS. Mr. Speaker, I wish to state that the matter to which the gentleman from Tennessee [Mr. COOPER] has referred has met the unanimous approval of the members of the Ways and Means Committee. It is a matter of some urgency and should be approved by the House today.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

MUTUAL SECURITY ACT OF 1955

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2090) to amend the Mutual Security Act of 1954, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committtee of the Whole House on the State of the Union for the further consideration of the bill, S. 2090, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. RICHARDS. I ask unanimous consent that debate on this section close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mrs. CHURCH. Mr. Chairman, reserving the right to object, may I ask the chairman whether he is referring to section 6 or section 7.

Mr. RICHARDS. Section 6.

Mrs. CHURCH. Mr. Chairman, I withdraw my reservation of objection. I wish to speak on section 7.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Chairman, it is not my intention to take all of 5 minutes. I rise, however, to seek certain information that I was not able to find either in the majority or the minority report on this bill. It relates to the matter of unexpended balances.

I wonder if the chairman could advise me, or some other member of the committee could advise me, whether there is any breakdown of the unobligated balances.

I think the chairman of the committee will recall that last year when we considered the mutual security appropriation bill a considerable point was made by the Committee on Appropriations as to the bookkeeping of this agency and the inability to determine what funds were obligated and what were not. At that time we were advised that the Comptroller was going to go into a thorough study of the bookkeeping and general operation of these funds. I am wondering now if the chairman as the result of the work of the past year is able to tell us what the status is of this $8 billion that is listed as unexpended. What part of that is unobligated?

Mr. RICHARDS. I would say to the gentleman that I agree with his dissatisfaction with regard to the bookkeeping. I think there has been some improvement. The latest overall unexpended balance we have is $8,717,000,000, that is the latest and best figure we can get. In the report on page 11 is a breakdown of the unexpended balance of military funds as near as we could get this information when the report was written.

Mr. BYRNES of Wisconsin. Do I correctly understand from the chairman that this unexpended balance is also unobligated?

Mr. RICHARDS. No.

Mr. BYRNES of Wisconsin. That is the point I am trying to make. I was wondering what part of that is obligated and what part of it is unobligated.

Mr. RICHARDS. It has been variously estimated. The best figure we could get at first was that it was $200 million. The best figure we can get now is that it is $670 million.

Mr. BYRNES of Wisconsin. It is all obligated except $600 million?

Mr. RICHARDS. That is right. That is the difference between the two.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that at the beginning of our hearing those in charge of this program said they thought they were going to be able to get all but $100 million obligated before June 30. But later they said that in order to meet the requirements of certain amendments in the appropriation bill they could not make the target without being reckless in their making of obligations. They said the unobligated amount might be $600 million. They told us this frankly. We asked them not to go ahead and obligate funds for programs they were not absolutely sure of. They had general plans for those programs but they were not sufficiently firm so they could nail them down in a contract.

Mr. BYRNES of Wisconsin. I do not think it is to their credit that they necessarily have it all obligated. I believe last year one of the criticisms that was made was that in the last month of the fiscal year they tried to get everything obligated they possibly could in order to make it look as though there was not any carryover this Congress could work its will on.

Mr. RICHARDS. That is right.

Mr. JUDD. I agree. The gentleman will recall that in order to avoid improper last-minute obligations, we put an amendment in the bill last year that not more than 25 percent could be obligated in the last 2 months of the fiscal year. They played it straight with us this year, I think.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Ohio.

Mr. VORYS. I have been informed in the last few minutes that the amount of unobligated funds is not $600-some-odd millions but has been reduced to about $200 million, because the Bureau of the Budget has within the last day or so apportioned to defense the $420 million which they had been holding, and that will be reserved for defense.

Mr. JENSEN. 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. JENSEN. Mr. Chairman, for the third day I have listened with great interest to the debate on this foreign-aid bill now before the House.

I have read the bill and the report which accompanies the bill and which explains the committee's action.

While I favor the expenditure of funds for some of the items for this bill which totals $3,285,800,000, I must express my opposition to the giving of our taxpayers dollars to such countries as India and Yugoslavia, because certainly the rulers of those countries have shown very little if any signs for many, many years, that they believe in us, or in our American way of doing things. Truth is they have shown too often by their words and deeds that they believe in the exact opposite. While the amounts requested in this bill for these countries are small comparatively speaking, still I have strong misgivings in further attempts to buy their friendship with American dollars.

Also, Mr. Chairman, there remains in the FOA coffers unexpended, approximately $8 billion from previously appropriated funds, of course they claim that all but $600 million plus is unobligated. Before I vote for this additional amount for FOA, I want to know a lot more about this huge unexpended balance which Congress has previously appropriated. Being a member of the Appropriations Committee, I feel it my special and plain duty to look carefully into this huge unexpended balance and some other items in the bill which I believe should be drastically reduced. Hence, I cannot conscientiously vote for

this bill in its present form. If, however, the Appropriations Committee reduces the request for a number of items in this authorization bill now being considered, to what I believe is a reasonable and justified amount, I may then support the expenditure of such funds. We shall see in about 10 days exactly what the Appropriations Committee recommends.

Now Mr. Chairman, I yield to no man in my heartfelt desire to help suffering humanity across the seas to the degree of our United States taxpayers can afford. The American people are big hearted but there is a limit to what they can afford. If we spend ourselves broke then we can help none of our friends across the seas, let alone our own needy, numbering millions.

With my own eyes I have seen during my travels around the world, how very grateful the people were of many nations to whom we have furnished food, clothing, medicine, doctors, and nurses; I favor such contributions to sick, hungry, destitute people, it is by such gift we make real friends across the seas, and in the same category I would include our aid to the refugees who escaped from under the Iron Curtain, and to those thousands of poor souls who were driven from their homelands during and since World War II. I favor the full amounts requested in this bill for such aid to suffering humanity across the seas, but I must reserve on many other items in this bill.

The Clerk read as follows:

SEC. 7. Title III of the Mutual Security Act of 1954, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, insert "(a)" before the first sentence and add the following new subsection:

"(b) Duties of Commission: In conformity propriated to the President for the fiscal year 1956 not to exceed $146,500,000 for technical cooperation programs in the Near East and Africa, Asia and Latin America."

(b) In section 306, which relates to multilateral technical cooperation:

(1) Insert the following before the semicolon at the end of paragraph (a): "; in addition, $24,000,000 for the fiscal year 1956 for contributions to the United Nations Expanded Program of Technical Assistance."

(2) Insert the following before the period at the end of paragraph (b): "; in addition, $1,500,000 for the fiscal year 1956 for contributions to the technical cooperation programs of the Organization of American States."

(c) In section 308, which relates to the International Development Advisory Board, insert ", or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher," after "not to exceed $10 per diem."

Mrs. CHURCH. Mr. Chairman, I move to strike out the last word.

Mr. RICHARDS. Mr. Chairman, will the gentlewoman yield for a unanimous-consent request?

Mrs. CHURCH. I yield.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section, and all amendments thereto, close in not to exceed 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. MEADER. Reserving the right to object, how many amendments to this section are there at the Clerk's desk?

The CHAIRMAN. The Chair is advised that there are two amendments to this section now on the Clerk's desk.

Mr. MEADER. I should like to have at least 5 minutes to discuss my amendment. Would the gentleman make that 20 minutes?

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section, and all amendments thereto, close in not to exceed 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The gentlewoman from Illinois [Mr. CHURCH] is recognized for 5 minutes.

Mrs. CHURCH. Mr. Chairman, I have taken this time to clarify the situation regarding the appropriations for the United Nations expanded program of technical assistance in order that this year the situation might be crystal clear. I want therefore to read into the permanent RECORD the provisions that have been made in this bill for the United Nations expanded program of technical assistance, amounting to $24 million for the fiscal year 1956 as reported on page 7, lines 17, 18, and 19 of the bill.

I call attention to this matter, Mr. Chairman, because there is a time element involved in this appropriation which I think the committee should recognize. I would particularly call attention to page 27 of the committee report which points out that this specific amount authorized in this bill will cover not just the 12-month period of the fiscal year 1956, but an 18-month period, the 6 months of the calendar year 1955 and all of calendar year 1956. The amount authorized would provide $8.5 million for the last half of this calendar year of 1955, and $15.5 million for the full calendar year of 1956, making a total of $24 million. I would point out, Mr. Chairman, what the Members of the House are certainly aware of, that we in the Congress operate and appropriate on a fiscal-year basis. The United Nations with all its agencies operate on a calendar-year basis. This creates a difficulty which this Congress must recognize and meet. When, as happened last year, the Appropriations Committee confines the amount granted the agency to the level of what should and can be spent on the basis of only half of the United Nations year, with the remainder hanging fire and dependent on a supplementary appropriation bill, there must inevitably be delay and difficulty in planning a satisfactory budget. An actual loss in economy, as well as efficiency, is most likely to occur.

We should make an honest attempt to get on a parallel system of appropriations, insofar as we can.

I would, therefore, personally urge the Committee on Appropriations this year, in its wisdom, to make not a restricted 6 months' appropriation for the technical-assistance program; but to put the appropriation on a 12-month basis. I point out, again, that the Committee on Foreign Affairs has authorized a grant for a program for 18 months, which would put us more nearly in step.

The CHAIRMAN. The time of the gentlewoman from Illinois [Mrs. CHURCH] has expired.

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: On page 8, after line 3, insert:

"SEC. 309. Commission on Overseas Investment and Trade.

"FINDINGS AND DECLARATION OF PURPOSE

"The Congress finds that the dynamic competitive free-enterprise system which has flourished in the United States can raise standards of living and promote internal strength and stability in other free countries, thereby increasing their capacity to resist aggression, stimulating international trade, and contributing to the growth of free economic and political institutions. These goals can be achieved in large measure through encouraging and facilitating the investment of private capital in other free countries to develop their resources and improve their productivity. Numerous impediments now exist, however, which inhibit the investment of private capital and the conduct of trade and commerce throughout the free world. It is the purpose of sections 309 through 319 to discover ways to overcome these obstacles and make the fullest use of free private enterprise, subject to proper restraints to prevent overreaching and unfair exploitation, in promoting mutual security, economic vigor, and individual liberty in the free world.

"ESTABLISHMENT OF COMMISSION; DUTIES

"SEC. 310. (a) Commission established: There is hereby established a bipartisan commission to be known as the Commission on Overseas Investment and Trade (in this act referred to as the "Commission").

(b) Duties of Commission: In conformity with the findings and in furtherance of the purpose declared in section 309, the Commission, after a complete study and investigation, shall formulate and recommend to the President and the Congress specific programs and policies calculated to encourage and facilitate the investment of private capital in free countries outside the United States, and the conduct of trade and commerce in such countries, and between such countries and other free countries, including the United States. The Commission shall give particular attention to developing programs and policies calculated to eliminate or minimize the restrictions, hazards, and other impediments, foreign and domestic (including monopolistic and restrictive trade practices) which inhibit such investment, trade, and commerce, and to provide incentives for such investment, trade, and commerce.

"MEMBERSHIP OF THE COMMISSION

"SEC. 311. (a) Number and appointment: The Commission shall be composed of 14 members as follows:

"(1) Ten appointed by the President of the United States, four from the executive branch of the Government and six from private life;

"(2) Two Members of the Senate appointed by the Vice President; and

"(3) Two Member of the House of Representatives appointed by the Speaker.

"(b) Political affiliation: Of each class of members, not more than one-half shall be from each of the two major political parties.

"(c) Vacancies: Any vacancy in the Commission shall not affect its power, but shall be filled in the same manner in which the origial appointment was made.

"ORGANIZATION OF THE COMMISSION

"SEC. 312. The Commission shall elect a Chairman and a Vice Chairman from among its members.

"QUORUM

"SEC. 313. Eight members of the Commission shall constitute a quorum.

"COMPENSATION OF MEMBERS OF THE COMMISSION

"SEC. 314. (a) Member of Congress: Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(b) Members from the executive branch: The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary $12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(c) Members from private life: The members from private life shall each receive $50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"STAFF OF THE COMMISSION

"SEC. 315. The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

"CERTAIN LAWS INAPPLICABLE TO COMMISSION AND ITS STAFF

"SEC. 316. The service of any person as a member of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"EXPENSES OF THE COMMISSION

"SEC. 317. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of sections through 319.

"POWERS OF THE COMMISSION

"SEC. 318. (a) Committees: the Commission may create such committees of its members with such powers and duties as may be delegated thereto.

"(b) Hearings and sessions: The Commission, or any committee thereof, may, for the purpose of carrying out the provisions of sections 309 through 319, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

"(c) Obtaining official data: The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of sections 309 through 319, and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, or any committee thereof, upon request made by the Chairman or Vice Chairman of the Commission or of the committee concerned.

"(d) Subpena power: The Commission, or any committee thereof, shall have power to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the chairman or vice chairman of the Commission or committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"EXPIRATION OF COMMISSION

"SEC. 319. The Commission shall cease to exist on June 30, 1957."

Mr. MEADER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with, and that it be printed in the RECORD.

The CHAIRMAN. Is there objection?

Mr. VORYS. Reserving the right to object, how many pages are there in the amendment?

Mr. MEADER. There are 7 pages in the printed bill which is the amendment. I have furnished the gentleman from Ohio with a copy of it, and also the gentleman from South Carolina.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman is recognized in support of his amendment.

Mr. SMITH of Wisconsin. Mr. Chairman, I ask unanimous consent that the time allotted me be granted to the gentleman from Michigan [Mr. MEADER] and that I may revise and extend my remarks immediately following the remarks of the gentleman from Michigan.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the same request, that my time be granted to the gentleman from Michigan and that I may extend my remarks following the gentleman from Wisconsin [Mr. SMITH].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MEADER. Mr. Chairman, like others who have spoken this afternoon, and I refer particularly to the gentleman from Georgia [Mr. DAVIS], I have supported the foreign-aid program since I entered Congress in 1951.

The program was already under way, but like many others I thought of it as a temporary program. I thought this job of developing the economies of friendly free countries was some time going to be finished. It was not until this year that I recall hearing any official, in a position to state Government policy, announcing that this program would become a permanent program.

The amendment which I have offered would provide a solution that many of us have been seeking; namely, a way to accomplish the job of strengthening our friendly allies in the free world without always having them on the back of the American taxpayer.

The Commission which I would create by this amendment would have the task of identifying and removing the hazards, obstacles, and impediments which are now restraining the natural forces which will more effectively build the economies of undeveloped areas than can ever be done by any amount of Government grants. That building would be done by private capital, the way our continent was developed. The investment money would flow into underdeveloped areas of the artificial barriers and unnatural hazards could be removed or minimized.

Yesterday I was interested in hearing the gentleman from Oklahoma [Mr. JARMAN] in his recital of what had been done to encourage the investment of private capital in economic activities abroad. He mentioned that the guaranty program had not resulted in attracting a great deal of American capital to foreign countries.

These problems are difficult and complex; they need the study of the best minds in the United States. I know it will be said we had the Randall Commission which was supposed to do exactly that job. As I recall, the Randall Commission was in existence only 5 months and they made but one recommendation which was practical, specific, and that was against double taxation; that was a good recommendation. But other than that, you can read the Randall Commission report and you will find that it is a change in wording, but otherwise not much more penetrating than other previous reports such as the Bell report, the Rockefeller report, the Gray report, and other studies that have been made. The problem is still with us.

In our effort to fight effectively in this cold war against the totalitarian regimes, let us not be ashamed of our own system of free private enterprise. Let us permit private capital to develop the economies of the underdeveloped countries. Let us make a start to bring an end to the Government grant program. Let us not make it a permanent program.

Even though perfecting amendments are not adopted in the Committee of the Whole this afternoon I probably will go along and vote for this bill again, but I wish they would make it more attractive to me, because I think that a program which depends upon our supporting weaker countries from our tax moneys is not a sound way to build a defense against Communist aggression.

Mr. BROWNSON. Mr. Chairman, will the gentleman yield?

Mr. MEADER. In just a minute.

We need friends in our contest with imperialist Communist Russia, but we need strong friends. We need friends who can stand on their own feet and not have to be carried on our backs.

A program which leads us to dissipate our substance and our strength in carrying someone who cannot support himself is not a sound program to defend this country or to defend any other country. A country which will not fight to defend itself is not going to fight to

defend the United States. We cannot win against Russia with mercenaries.

If foreign countries believe in the system we believe in and if we help them develop their economies on a sound basis such as my amendment would lead to, then we will have friends who can stand up against Russia. That is the kind of program I would like to see and this is the only way we are ever going to bring an end to the Government grants program which instead of strengthening these people perpetuates their mistakes, their deficiencies and their weaknesses, because they can rely upon Uncle Sam for financial help.

I now yield to the gentleman from Indiana [Mr. BROWNSON].

Mr. BROWNSON. I desire to compliment the gentleman on his amendment and also call the attention of the membership to the detailed study the gentleman has made of this subject in many countries of the world when it has been my pleasure to travel with the commitee.

I share the gentleman's misgivings about continuing this as a permanent program, and it certainly would be more palatable to me were some amendment of this kind included—and I have always supported this program in the past.

Mr. MEADER. I thank the gentleman, and I might say that in the last Congress the gentleman was chairman of the International Operations Subcommittee of the Committee on Government Operations and explored some of these foreign aid programs. I wish we had time to discuss the mistakes that have been made in point 4 technical cooperation programs and in aid programs, but we do not.

How much better it is to have technical assistance follow the capital of private people investing abroad rather than to draft people and put them on a governmental assistance basis in these technical cooperation programs. Private business can furnish technical know-how in industrial and commercial undertakings far better than the Government can. The aid so furnished helps to build a sound economy on a natural basis and doesn't cost the taxpayers 1 cent.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Connecticut.

Mr. DODD. I want to commend the gentleman from Michigan for his work in this field. I have been aware of it at least for a year or two, having also served on the same subcommittee of the Committee on Government Operations. I know what a great amount of work he has done. I think it would be helpful to the Members of the House if he could explain briefly—his amendment is lengthy—just what it is he wants to do.

Mr. MEADER. My amendment would create a bipartisan commission composed of 14 members, 4 from the executive branch of the Government, 4 from the legislative branch of the Government and 6 from private life. I would hope that the 6 men from private life would be selected with great care because if they have had experience with problems encountered in doing business abroad, they can make a greater contribution toward eliminating the obstacles and impediments which are now restraining the flow of capital into these underdeveloped areas.

That commission would have the specific purpose of trying to create a climate which would be attractive to American private capital or to the private capital of any other country. It would put emphasis on the free enterprise system and reverse the trend we have been following, namely, grants from government to government. That system tends to encourage socialism, because the government then engages in economic activities.

Mr. DODD. The gentleman might be interested in this comment. In February I went down to New Orleans to attend a private business conference concerned with developing trade with our South American neighbors. It was a good conference. There were four hundred-odd people from South and Central America and more than 400 from the United States and Canada. I say that great good was done there, but may I observe that nothing really definite was accomplished because the men and women down there did not have the means and the methods to put in operation what was in their minds. It would seem to me that the gentleman's amendment would help to develop this private business trade.

Mr. MEADER. I thank the gentleman.

Mr. SMITH of Wisconsin. Mr. Chairman, the technical-assistance program as originally conceived was to be a people-to-people program of sharing know-how and technical skill.

We have pointed out in our minority views that helping people to help themselves brings lasting benefits, not only to the recipients but to the donors as well. It builds self-respect for peoples everywhere and independence for nations.

This technical-assistance program was originally and in some quarters still is known as the point 4 program. Former Secretary of State Dean Acheson said that the program "is not and never will be a big money enterprise. It is cooperative, which means that a considerable part of the expense should be borne by the countries in which we work. It involves salaries and expenses of many, not vast purchases of machinery and raw materials. Its objective is to show other people how to meet their own needs, not to attempt to meet these needs ourselves. For this reason, the cost of technical cooperation will always be modest compared with the cost of other types of foreign-aid programs."

When Dr. Henry G. Bennett, the first director of technical cooperation, appeared before our committee, he said that he understood that the plan was a simple, down-to-earth, self-help program designed primarily to assist other peoples in increasing their food production, bettering their health conditions, and improving their educational systems. With these statements I am in accord. However, the program as it is now working goes far beyond these basic fundamentals stated by the former Secretary of State and Dr. Bennett.

Mr. Chairman, in view of this vast expansion, I cannot agree to the proposals for technical assistance as provided in this bill. There is little, if any, difference in the actual operation of technical assistance or of technical cooperation. Technical assistance is usually used to refer to such operations involving the more advanced countries or to military matters. So conceived, technical assistance especially in the fields of productivity has been a feature of our aid to Europe from the inception of the program. In recent years, we have been spending considerably more for supplies and equipment than for technicians, and there has been the feeling that it would be unwise to emphasize commodity and end-item assistance rather than technical assistance. In fact, our own committee has spoken out and advised the administrators of the technical-assistance programs to reduce the ratio of supplies and equipment to services and training even though used to support technical-assistance programs. The Hoover Commission report has stated that President Eisenhower, in his message to Congress on the Mutual Security Act for 1954, asserted that technical-cooperation programs should provide experts and know-how, rather than large amounts of funds or goods. Yet the bill before us ignores his advice.

Mr. Chairman, a witness who appeared before our committee a year ago along with several other witnesses, pointed out one of the weaknesses of the whole technical assistance operation: It is that the administrators of the program have failed to find out just how we could be most helpful in rendering assistance, along the lines of self-help and know-how. It was pointed out that the administrators apparently have labored under the concept that to insure success of the program, it was necessary to make a mass impact on the country concerned. To succeed in this mass impact, it obviously seemed desirable to put in as many people and as much money as Congress would provide.

It has always been, Mr. Chairman, the popular understanding that our technical assistance would be closely related to the needs of the masses of underprivileged people. These so-called masses are largely village people. The only country in Asia where this is not true is Japan where we have a relatively small program. On the Asian Continent, our contribution to village development is quite limited. In some countries we have barely scratched the surface of the program of getting help to the villages. In some countries like India, we have, to our detriment, claimed much more credit than we deserve. On the other hand, in Formosa the Joint Commission on Rural Rehabilitation has done an excellent job in getting help to the village people. It has been stated that in one country in Asia, according to a high Government official, conditions in the villages were so bad that an American could not be expected to live there and so, nothing has been done under the program. This country is one in which there is considerable Communist strength. The point I make is that our technical assistance

has not, in any large way, been reaching the people who need it most.

Mr. Chairman, the Hoover Commission report on the United States technical assistance program points out that technical assistance has grown like Topsy from a limited, simple, self-help, down-to-earth program offering skills and knowledge in the fields of agriculture, education, and health to the underdeveloped countries of the world. Technical assistance is now being given or has been given by our Government in a wide variety of fields encompassing a bewildering array of projects to 63 countries and dependent overseas territories. There is obviously no attempt to gear the program to this limited concept of down-to-earth programs but rather a superduper program to provide highways, to organize industrial concern, power dams, and a whole range of activities far removed from a program offering skills and knowledge in the fields of health, agriculture, and education.

Mr. Chairman, again I refer to the so-called Hoover Commission report which clearly sets forth the only justification for foreign aid. This report states:

There is one and only one justification for foreign aid; the economic and political security of the United States. This standard includes anything that is deemed by high policies to further such security. But the overruling motive in United States security. If this results in social and humanitarian benefits, we should be both satisfied and grateful. The important thing to remember is that foreign aid was never intended to be and should never be permitted to become an instrument for reforming the world and uplifting the living standards of more than 1 billion human beings.

United States resources are limited. It is impossible for us in the field of technical assistance just as in the field of military operations to cover every base and be strong at every point. Our resources of available skilled personnel are restricted even if our financial resources seem easily equal to any prudent technical-assistance demands on them.

Mr. Chairman, again referring to this same report, it is pointed out that despite the facts that we have spent close to a half billion dollars on technical assistance, that we have operated in most countries of the world and that we have sent large numbers of skilled and respected specialists abroad in its interests, there is nothing which has emerged from our efforts which typifies and dramatizes the whole program. No single disease has been eliminated as typhoid or smallpox has been eliminated from the United States. No Jenner or Goethals stands as symbols for our work. It is difficult for anyone to point to a single technical program which has had a profound and lasting effect of real significance upon the general population of the country.

It would seem, Mr. Chairman, that instead of nibbling at a host of problems in the countries where we work, we should pick 1 or 2 of the most vital needs, the solution of which not only is in the interest both of the recipient country and of the United States but will also have the largest impact upon the greatest number of people. It has been well said that we must concentrate our forces and resources upon this type of project.

Mr. Chairman, I find no testimony in the record which indicates that such foresight now actuates the administrators of the technical-assistance program. We have gone far beyond the original concepts as I have stated above and there appears to be no release from the bungling that has occurred at the expense of the American taxpayer.

In effect, Mr. Chairman, we are embarked upon an international WPA program, without rhyme or reason and with no fixed termination date. For some people engaged in this program, it will go on and on and on—ad infinitum.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I take this time to try and clear up a misunderstanding with respect to the unobligated funds of the Foreign Operations Administration. I do not believe all members of the Appropriations Committee and the Foreign Affairs Committee working together could tell within $100 million of the amount they have on hand unobligated. Their figures and reports change faster than the New York Stock Exchange.

We were told a few days ago that on June 30 there would be $100 million unobligated. Two days later they said $620 million. They called yesterday and said it had gone up to $932 million.

We found a little while ago that the Administrator of FOA, Mr. Stassen, and Mr. Hensel, Assistant Secretary of Defense, had about succeeded in getting the budget to let them hold in reserve all of these unobligated funds.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from South Carolina.

Mr. RICHARDS. I just want to compliment the gentleman on his finding out exactly what we have not been able to find out. I am sure that the chairman of the subcommittee on the Committee on Appropriations handling this matter will find out all about it.

Mr. PASSMAN. We will have additional hearings and get the information from the new crew. We have not been able to get it from the present officials of FOA.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I join in what the chairman of our committee has just said with respect to these unobligated balances. Tomorrow, July 1, it ought to be possible to know just how much has been obligated, because heretofore we have had only predictions as to what could or would or might be done by the night of June 30.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Ohio.

Mr. VORYS. On the Meader amendment, I commend the gentleman for his interest and thorough study, but I want to point out that last year we had a 17-member Randall Commission, with a staff, to make a similar study. In this act, right ahead of where the amendment is proposed to be placed, is provided an international development advisory board consisting of 13 members who get not to exceed $10 a day for expenses and a per diem allowance of $50 for each day spent on work. This Meader amendment proposes a 14-member commission with an appropriate staff and unlimited authorizations for expenditures. It seems to me that we do not need more machinery or more commissions for this purpose, but we need some actual work done along that line, and the gentleman from Minnesota, I am sure, has a very practical suggestion that is coming up later.

Mr. JUDD. When we come to the proper place, I shall offer an amendment to increase the authorization for issuing guaranties from the present $200 million to $300 million. Now, this guaranty program at last has begun to roll, and the applications now exceed the existing $200 million authorization, authorizations to issue guaranties for private investors or corporations or other Americans who have funds to invest in approved foreign countries—in industry, in agriculture, in buying stock of foreign corporations, and so on. The investments must be cleared by our own Securities and Exchange Commission and approved so that they are sound and not filled with misrepresentations or blue-sky promises. I think, Mr. Chairman, this guaranty program is the better way to accomplish exactly what the gentleman from Michigan [Mr. MEADER] properly is seeking to do. Many of us have been disappointed at the apparent lack of enthusiasm on the part of some who administer this program, to stimulate the development around the world of the very system we believe in and which is responsible for our own remarkable economic development at home. The investment guaranty program is beginning to move, and I think it would be better if the gentleman's amendment were defeated and then my amendment to increase the authorization for guaranties be adopted, when we get to that part of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I agree with the objective sought to be accomplished by the gentleman from Michigan. I have noted his hard work very closely for several years and his comprehensive understanding of the business needs and United States relations abroad, but I think it would be bad to put this many-paged amendment in the bill at this time. It will call for additional administrative expense and I believe it is bad to place it in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The question was taken; and on a division (demanded by Mr. MEADER), there were—ayes 23, noes 74.

So the amendment was rejected.

The Clerk read as follows:

SEC. 8. Title IV of the Mutual Security Act of 1954, which relates to other programs, is amended as follows:

(a) In section 401, which relates to special fund, insert "(a)" before the first sentence; strike out "$150,000,000" in the first sentence

and insert "$50,000,000, in addition to the funds authorized to be appropriated under subsection (b) hereof,"; in the next to last sentence strike out "section" and insert "act"; and add the following new subsection at the end thereof:

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 $100,000,000 for use in accordance with subsection (a) of this section."

(b) In section 402, after the word "used" in the first sentence, insert "during the fiscal year 1955, and not less than $300,000,000 shall be used during the fiscal year 1956,".

(c) In section 403, which relates to special assistance in joint control areas, insert "(a)" before the first sentence; insert "at the time of the enactment of this act" in the first sentence after "responsibility"; and add the following new subsection:

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $21,000,000 to carry out this section."

(d) Amend section 405, which relates to movement of migrants and refugees, as follows:

(1) Change the heading to "migrants, refugees, and escapees."

(2) In the second sentence of subsection (a), which relates to contributions to the Intergovernmental Committee for European Migration, insert "and for the fiscal year 1956 not to exceed $12,500,000 for contributions to the committee," after "migration,".

(3) Amend subsection (c) to read as follows:

"(c) There is hereby authorized to be appropriated for the fiscal year 1956 not to exceed $1,400,000 for contributions to the United Nations Refugee fund."

(4) Add the following new subsection:

"(d) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $6,000,000 for continuation of activities, including care, training, and resettlement, which have been undertaken for selected escapees under section 401 of this act."

(e) In section 406, which relates to children's welfare, insert "(a)" before the first sentence and add the following new subsection:

"(b) There is hereby authorized to be appropriated for the fiscal year 1956 not to exceed $14,500,000 for contributions to the United Nations Children's Fund."

(f) In section 407, which relates to Palestine refugees in the Near East, insert "(a)" before the first sentence and add the following new subsection:

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $65,000,000 to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East."

(g) In section 408 (a), which relates to United States participation in the North Atlantic Treaty Organization, insert ", and for the fiscal year 1956 not to exceed $3,700,000," before "for payment."

(h) Amend section 409, which relates to ocean freight charges, as follows:

(1) Insert the following new sentence at the end of subsection (c), which relates to ocean freight charges on shipments by United States voluntary nonprofit relief agencies: "There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $2,000,000 to carry out the purposes of this section."

(2) Amend subsection (d) to read as follows:

"(d) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed $13,000,000 to pay ocean freight charges on shipments of surplus agricultural commodities, including commodities made available pursuant to any act for the disposal abroad of United States agricultural surpluses. In addition, any funds made available under this act may be used, in amounts determined by the President, for the purposes of this subsection."

(i) In section 410, which relates to Control Act expenses, insert ", and for the fiscal year 1956 not to exceed $1,175,000," after "1,300,000."

(j) (1) Change the title of section 411, which relates to administrative expenses to read "ADMINISTRATIVE AND OTHER EXPENSES".

(2) Amend section 411 (b) to read as follows:

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed $34,700,000, and for the fiscal year 1956 not to exceed $35,225,000, for all necessary administrative expenses incident to carrying out the provisions of this act other than chapter 1 of title 1 and section 124."

(3) Add to section 411 the following new subsection:

"(c) Funds made available for the purposes of this act may be used for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this act."

(k) Add the following new section:

"SEC. 418. President's Fund for Asian Economic Development: (a) The Congress of the United States reaffirms the policy of the United States to contribute to international peace and security through assisting the peoples of free Asia in their efforts to attain economic and social well-being, to safeguard basic rights and liberties, and to protect their security and independence. The Congress hereby recognizes that fundamental to these goals is an expanding economic growth of the free Asia area based upon self-help and mutual cooperation and full utilization of already existing resources and knowledge. The Congress expresses the willingness of the people of the United States to support the foregoing objectives to the extent to which the countries in the area continue to make effective use of their own resources and external resources otherwise available to them.

"(b) In order to carry out the purposes of this section, there is hereby authorized to be established a fund, to be known as the 'President's Fund for Asian Economic Development' (hereinafter referred to as 'the fund'), and there is hereby authorized to be appropriated to the President for the fund an amount of $200 million, such amount to remain available until June 30, 1958.

"(c) The President is authorized to utilize the appropriations made available for the fund to accomplish in the free Asian area the policies and purposes declared in this act and to disburse them on such terms and conditions, including transfer of funds, as he may specify to any person, corporation, or other body of persons however designated, or to any foreign government, agency, or organization or group of governments or agencies as may be appropriate: *Provided, however,* That not less than 50 percent of the funds appropriated pursuant to this section shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505, and not more than 25 percent of said funds may be allocated for assistance to any one nation.

"(d) In utilizing the fund the President shall give preference to projects or programs that will clearly contribute to promoting greater economic strength in the area as a whole or among a group or groups of countries of the area."

The CHAIRMAN. The Clerk will report the committee amendment:

The Clerk read as follows:

Committee amendment: Page 8, line 16, strike out all of section (b) and insert:

"(b) In section 402, which relates to the sale of surplus agricultural commodities, strike out '$350,000,000' and insert in lieu thereof '$600,000,000'."

The CHAIRMAN. The question is on the committee amendment.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the colloquy a few minutes ago, between the gentleman from Louisiana [Mr. PASSMAN], and the chairman of the committee [Mr. RICHARDS], as to unobligated balances, serves to point up very clearly that those who vote for this bill, as the gentleman from Minnesota [Mr. JUDD] said during the hearings, will be voting a blank check.

On yesterday I asked the chairman of the committee where the appropriation would be found for domestic expenses, and he replied that it would be found under title IV.

I call the attention of the Members of the House to the subject of domestic expenses to be found on page 545 of the hearings.

If I read the hearings correctly, there is some $9 million in this bill for what are known as domestic expenses. If I am wrong about that, I wish some member of the committee would correct me.

Reading the hearings with respect to domestic expenses, I find that the American Language Center of the American University, through contractual arrangements, is to provide intensive English language refresher instructions to FOA participants requiring it. Since this center serves both the Department of State and FOA, according to the hearings, the Department of State negotiates the contract with American University; and so forth, and so on.

On page 549 of the hearings, I read, under the label of Domestic Expenses, "Description of projects."

Then in the hearings appears meager descriptions of the projects under this domestic program expenses section, and here are 2 or 3 of them:

Contracts with Vanderbilt and Stanford Universities to provide predeparture orientation in economic development to participants.

On page 549:

To provide for salaries for team leaders or technical consultants with teams, and for travel and per diem for team leaders and interpreters.

I do not know what this is all about, but apparently this is where $9 million is going to go in part.

Contract with the University of Pennsylvania to provide for training of foreign architects and planners in the field of housing.

Contract to facilitate the establishment of trade associations in participating countries.

Another thing that this money is going to be spent for is this:

Contract to develop a plan for providing management training for foreign officials in substantive fields.

Whatever that is. I wonder whether any member of the Foreign Affairs Committee can tell me what these projects mean and why it should be necessary to spend $9 million on them.

I repeat, American University is going to be paid for language refresher courses.

Now I call your attention to the hearings, which uses the word "infrastructure," but you can go over to the dictionary in the House chamber and you cannot find the word there. Is the committee putting up the money to send FOA personnel to American University to develop words which neither ordinary Members of Congress nor the American people understand?

I find another word in the hearings, "fungible." I went over to the dictionary to find out what "fungible" means. Let me read you the definition of "fungible";

A thing of a class or kind such that one individual or part may be used in place of any other individual or equal part in satisfaction of an obligation. The classification is important with reference to the rights of the borrower in the contract of mutuum—

Whatever that means.

the usufructuary—

Whatever that means.

of mutuum, the usufructuary of goods that perish or are alienated in the using, etc.

That is the definition to be found in Webster's unabridged dictionary here in the House chamber. But "infrastructure" will not be found there, yet it is commonly used in the hearings.

Mr. JUDD. Does the gentleman want to know what "infrastructure" means?

Mr. GROSS. I am certain the gentleman from Minnesota can tell me about that, especially if it is a foreign import.

Mr. JUDD. "Infrastructure" is a word they coined over in Europe. It may be a translation of a French word; I do not know. But it covers the projects we have there to build and support, for example, our American air bases. We have been building—I will not say how many, but several tens of American air bases in France. It covers the improvement of ports and the building of pipelines from the ports to carry fuel to the air bases. That is what is called "infrastructure"—the foundation which supports our American Air Force in Western Europe.

Mr. GROSS. I think I have the idea. I wish the gentleman would tell that to Mr. Webster.

Mr. JUDD. Mr. Webster wrote a considerable time before the cold war came along. He had not heard of Bulganin when he wrote it.

Mr. GROSS. You have everything in this bill for the foreigners except the kitchen sink, and I guess a few of Europe's coined words will not make it much worse. You certainly have tossed in the pocketbooks of American taxpayers.

Mr. RICHARDS. Mr. Chairman, we have been on this bill 6 or 7 hours. We have gone through 3 of the amendments to 3 of the titles in the mutual security bill, involving most of the money. I ask unanimous consent that all debate on section 8 and all amendments thereto close in not later than 20 minutes.

Mr. SMITH of Wisconsin. I object, Mr. Chairman.

Mr. JUDD. How many amendments are there to section 8?

The CHAIRMAN. There are several committee amendments in the bill that have not yet been considered. The Chair is advised there are four amendments on the Clerk's desk to section 8.

Mr. FULTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. How many amendments are there to the bill on the desk at the present time?

The CHAIRMAN. The Chair is advised there are 12 amendments on the Clerk's desk.

Mr. RICHARDS. I had better modify my request, because it will take a little longer to consider this section.

Mr. Chairman, I ask unanimous consent that all debate on section 8, and all amendments thereto, close in not to exceed 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. JUDD. Mr. Chairman, reserving the right to object, I have two amendments to offer to this section. Do I get the opportunity to be recognized twice to present the two amendments under this arrangement?

Mr. RICHARDS. I would think so.

Mr. JUDD. Ordinarily, a Member is recognized only once with these arrangements.

Mr. RICHARDS. I do not know how much time the gentleman will get after he is recognized, but he will certainly be recognized twice.

Mr. SMITH of Wisconsin. Mr. Chairman, will the Chair count to see how many Members are seeking recognition?

Mr. GROSS. Mr. Chairman, reserving the right to object.

The CHAIRMAN. It is very difficult for the Chair to ascertain who is seeking recognition.

Mr. RICHARDS. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order has been demanded.

Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Chairman, further reserving the right to object.

The CHAIRMAN. The gentleman cannot make a reservation of objection after the regular order is demanded.

Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Chairman, I object.

Mr. RICHARDS. Mr. Chairman, I move that all debate on section 8, and all amendments thereto, close in not to exceed 35 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from South Carolina?

The motion was agreed to.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 9, line 10, strike out lines 10 to 14 inclusive.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 9, line 15, strike out "(3)" and insert "(2)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 9, line 19, strike out "(4)" and insert "(3)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 15, strike out lines 15 to 18 inclusive.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 19, strike out "(h)" and insert "(g)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 11, line 14, strike out "(i)" and insert "(h)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 11, line 16, strike out "1,300,000" and insert "$1,300,000."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 11, line 17, strike out "(j)" and insert "(i)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 12, line 3, strike out "1" and insert "I."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 12, line 17, strike out "(k)" and insert "(j)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 12, line 17, strike out "section" and insert "sections."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 13, line 22, after "any" insert "friendly."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 13, line 23, after "of" insert "friendly."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 14, line 9, strike out the period and insert "area."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 14, line 10, insert:

"SEC. 419. World Health Organization: Section 3 (a) of Public Law 643, 80th Con-

gress, approved June 14, 1948, as amended, is hereby amended to read as follows:

"'(a) such sums as may be necessary for the payment by the United States of its share of the expenses of the Organization as apportioned by the Health Assembly in accordance with article 56 of the constitution of the Organization, except that payments by the United States for any fiscal year of the Organization after 1958 shall not exceed 33⅓ percent of the total assessments of active members of the Organization for such fiscal year; and'.

"SEC. 420. Joint Commission on Rural Development: (a) The Secretary of State, after consultation with the Director, is hereby authorized to conclude an agreement with the Republic of the Philippines establishing a Joint Commission on Rural Development in the Philippines, to be composed of two citizens of the United States appointed by the President of the United States and three citizens of the Philippines appointed by the President of the Republic of the Philippines. Such Commission shall formulate and carry out a program for development of the rural areas of the Philippines, which shall include such research and training activities as may be necessary or appropriate for such development: *Provided*, That assistance furnished under this section shall not be construed as an express or implied assumption by the United States of any responsibility for making any further contributions to carry out the purposes of this section.

"(b) Insofar as practicable, an amount equal to not more than 10 percent of the funds programed in any fiscal year for the Republic of the Philippines under title I, chapter 3, and title III of this act shall be used to carry out the purposes of subsection (a) of this section."

Mr. JUDD. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD to the committee amendment: On page 15, line 7, after the word "shall" insert "subject to the general direction and control of the Director."

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. RICHARDS. I see no objection to the gentleman's amendment.

Mr. JUDD. I thank the gentleman.

The CHAIRMAN. The question is on the amendment 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.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 13, line 24, insert after the word "That" the following: "such assistance shall emphasize loans rather than grants wherever possible, and."

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. RICHARDS. This amendment just follows up the amendment that was adopted a short time ago?

Mr. VORYS. That is correct.

Mr. RICHARDS. In view of the fact that the first amendment was agreed to, I see no objection to this one.

Mr. VORYS. This provides for the same thing in the Asian economic development fund. In addition to that, they shall emphasize loans rather than grants wherever possible.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment was agreed to.

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Wisconsin: On page 13, line 14, strike out "$200,000,000" and insert "$100,000,000."

Mr. SMITH of Wisconsin. Mr. Chairman, I am sure we are all conscious of the fact that we have very little knowledge as to how much money is in this bill, how much is in the so-called pipeline and how much there is unexpended. It will take a Houdini I think to find the answer. I am suggesting in my amendment that we cut $100 million off what is termed, I think quite cleverly, "President's fund for Asian economic development."

The pipeline is so plugged with American dollars that they do not know what to do with it. I have before me figures secured today from the FOA indicating the amount of money we have been able to spend. But first as of June 30, today, there will be $8,717,000,000, as a carryover.

There are counterpart funds abroad of almost one billion which is available. This bill would authorize $3,285,000,000, and if you approve this legislation as of today there will be available for spending in the next fiscal year starting tomorrow, $12,975,900,000. It cannot be spent and it should not be authorized.

I ask you if you will sit here today and authorize another $3.5 billion on top of an already overloaded pipeline.

You are going to get a chance by my amendment to cut nearly $100 million out of a program that has not even been organized. They do not know what it is going to be used for and they cannot tell us. I say it will take them 6 or 8 months before they can come back here and tell us how they will use half of that $200 million. I think my amendment is a reasonable one.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Louisiana.

Mr. PASSMAN. If you reduce this particular item by $100 million, in another section of the bill you have $100 million for the President; he would still have $200 million with no strings tied to it if the gentleman's amendment is adopted.

Mr. SMITH of Wisconsin. There is no doubt about it. I thank the gentleman for his contribution.

The President cannot possibly spend what we would authorize, which is $2 billion.

Let me call your attention to these figures:

There is unexpended as of June 30, 1955 $8,717,100,000. Counterpart funds abroad amount to $973,000,000. There is requested in this bill $3,285,800,000, as I have said before. This makes a total of $12,975,900,000.

Let me call your attention also to the expenditures during the last 3 fiscal years and the first 6 months of this fiscal year:

Fiscal year 1952, total expended	$4,500,000,000
Military	2,400,000,000
Nonmilitary	2,100,000,000
Fiscal year 1953, total expended	5,700,000,000
Military	3,800,000,000
Nonmilitary	1,900,000,000
Fiscal year 1954, total expended	4,800,000,000
Military	3,300,000,000
Nonmilitary	1,500,000,000
Fiscal year 1955, total expended	3,800,000,000
Military	1,700,000,000
Nonmilitary	2,100,000,000

I ask: Is it reasonable to tell the American people today that notwithstanding all this money that we are going to pile another burden of $3 billion or more on them?

That is the situation. It does not take much by way of mathematical computation to figure it out. Here it is, a common-sense proposition, and all I ask you to do is to take $100 million off of this request.

On Tuesday, I pointed out that as of June 30, the Foreign Operations Administration estimates an unexpended balance of $8,717,100,000. There are in counterpart funds in other countries $973 million, and this bill would authorize $3,285,800,000 or a total of $12,975,900,000 for fiscal 1956, almost $13 billion. I repeat what I said on Tuesday that this fund could not be expended in the next 2 years, if we are to judge by our spending ability in the past.

My amendment to strike $100 million from the so-called President's Fund for Asian Economic Development is based on the request for a gigantic blank-check operation. The hearings failed to disclose just how the money will fit into the new program. It is my opinion that there should be no authorization for a new mutual security program until the Department of Defense has reached the point where it can come back to the Congress and submit its detailed findings. Secretary Hensel stated before the committee and I quote him:

> While we still believe in the need for a complete analysis and review of our programs in the light of changed current conditions, we would like to make that analysis and review on a careful and independent basis and not come to any conclusion or to take any action with respect to the soundness of previously approved programs until the result of that study and review is known.

As I see it, the clear implication of the Secretary's statement is: Slow down, give us a chance to study it.

Here again Secretary Hensel was absolutely honest with the committee. Why then should we, at this time, appropriate

$200 million when there has been no showing that it is justified?

To insist upon such a request is further abrogation of congressional control over the expenditure of funds by the executive branch. It makes no difference to me whether the Executive is a Republican or a Democrat. This is a matter of principle and not politics.

In all fairness, I ask, and I trust I may have an answer as to what countries in Asia will be receiving this assistance? How much will they receive? Do we know what projects will be developed and the purposes therefor? As we have pointed out in our minority views, do we have any idea of what contributions the recipient countries themselves will be making? Do we know how much the executive branch expects to spend in fiscal 1956 out of this fund? I have searched the hearings and do not find the answers to these questions. But we know what will happen. Our representatives will be out looking for projects upon which to spend the $200 million.

At this moment, I am sure, the administrators of the fund have no idea as to how this $200 million will be used. The bill provides, on page 13, line 16:

> The President is authorized to utilize the appropriations made available for the fund to accomplish in the free Asian area the policies and purposes declared in this act and to disburse them on such terms and conditions including transfer of funds as he may specify to any person, corporation, or other body of persons however designated, or to any friendly foreign government, agency or organization or group of friendly governments or agencies as may be appropriate.

Members of the committee, I believe that it is fair to say that this is the most sweeping blank check request that I have ever seen. It could be the beginning of an international WPA without end, or until the people of this country rebel, or the economic structure tumbles down on our heads.

My amendment is a reasonable one. It proposes a cut of only $50 million from a $200 million request that has not been justified in committee or on the floor of this House.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is true that of the funds in this bill, this particular $200 million is not fully programed. It is also correct that we do not know the specific purposes for which this money is going to be spent. We do know, however, the overall purpose of this fund. This money is to be used, at the discretion of the President, to stimulate the development of economic strength and cooperation in this vital area.

Now we all know that nations which are economically weak find it difficult to become politically strong and secure. An increase in free Asia's economic strength can prove to be an effective barrier to Communist expansion.

We were told at length by Mr. Stassen when he appeared before the committee—and you will find this part of his statement on page 55 of the committee report—that—

> The most pressing threats to world security and stability are now centered in Asia, and the preponderance of funds requested for fiscal year 1956 are to be directed toward meeting the threats to this area.
>
> Asia is the focal point of present Communist pressure and the area whose future direction, either toward domination by communism, or freedom and independence, will be crucial in the long-range struggle of freedom against oppression.

No truer statement could have been made on this subject.

Mr. Chairman, it was pointed out that if this amendment carried, there could still be a transfer of $100 million for this purpose under the transferability clause. In the past, we had authorized a transfer of $150 million from other appropriated funds. It was indicated to us, however, that this procedure was not only costly but, on many occasions, very impractical. We were told of the many contingencies which arise during a 12-month period, and which are not expected. When such contingencies arise, the diversion of funds from planned programs to meet them causes wasteful disruption of such planned programs. It is because we want to avoid this waste, these difficulties and complications, that we have felt that the President's request was justified and we recommended that it be approved.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am glad to yield to the gentleman from Ohio.

Mr. VORYS. While a similar amount might be had by transfer, would not the gentleman agree with me that psychologically in the field of warfare for men's minds and hearts in Asia this cut would be about the worst cut we could make in this bill? It is true it is not programed fully. It is true, I regret to say, that we have a secret classified program. But to cut this amount would certainly be psychologically about as bad a thing as we could do. Does the gentleman not agree with that?

Mr. ZABLOCKI. Yes; the gentleman is correct. If we must cut, this is the poorest place to cut any amount of money from the bill. We know, for instance, that our Nation depends on Asia for the purchase of the following strategic materials: 95 percent of our natural rubber, 76 percent of abaca, 71 percent of mica, 69 percent of tin, 65 percent of copper, 37 percent of manganese, 35 percent of chromite, 22 percent of tungsten, and so on.

The $200 million authorized in this section will help to guarantee that the free countries of Asia will be able to supply us with these strategic materials.

Mr. VORYS. And if we count in the Chinese, more than half of the people of the world live in the area for which this fund is programed. Seven hundred million live on the edge of communism.

Mr. ZABLOCKI. That is true. We would be making a terrible mistake if we were to cut this program.

I hope that the Members on the other side have sufficient confidence in their President and will give him the entire amount.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, it may seem rather strange that two Democratic members of the Committee on Foreign Affairs rise, one after the other, to plead for discretionary power of this kind over funds which are to be placed in the hands of a Republican President. But I think it is the best thing to do. We believe he will use them wisely.

As the gentleman from Ohio has just said, in that section of the world there are so many unpredictables and imponderables where, on account of the political conditions, the political landscape is changing from week to week and hour to hour, it would be demanding too much to ask anybody to get up a rigid schedule of projects there.

We wanted to circumscribe these funds in every way we safely could. To start with, this Congress amended the President's request, which would have permitted assistance to countries that violated the Battle Act. The Battle Act must now be complied with. We provided that 50 percent must be in loans. There was another restriction. The executive branch asked for unlimited time for the expenditure of these funds. We limited the time to 3 years. I believe it would be a great mistake on the part of the Congress to adopt this amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that last year we authorized $800 million in a similarly indefinite form for the whole southeast Asian area because of the crucial situation which existed there? This fund is for the same general area. It is a place where conditions are so fluid that none of it might be used or all of it might be used, depending on the emergencies or the contingencies that may develop. If we gave the President $800 million last year, and it was not misused, is it not sensible to give him at least $200 million this year?

Mr. RICHARDS. The gentleman is quite correct.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Was there any testimony before the committee which would show, as is written in the law, that these funds would be given to any person, corporation, or other body of persons designated? Was there any testimony as to what categories that applied to?

Mr. RICHARDS. I am frank to say I do not remember.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Ohio.

Mr. VORYS. There was information in our classified book precisely on that question.

Mr. RICHARDS. I may say that the classified book is not our classified book. We have not classified a single thing. Those responsible for our security have classified it in the interest of the Nation. As far as I am concerned, if I could do it alone and the security of the United States was not involved, I would bring everything down here to the floor of the House.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I am opposed to this amendment, for I think it is proper, in view of the great uncertainties in this area of the world, that there be very broad discretion in the President's use of assets hereunder. My understanding of this bill is that there is something in it other than merely the payment of dollars here or there to solve local problems. I want to ask the chairman if I am correct in this understanding. For example, I have prepared a question for you, Mr. Chairman, hoping to clarify this matter. My question is: I refer to sections 418 and 505 in this bill we are now considering. Will the distinguished chairman inform the committee if it is the intention of Congress in this bill to authorize the President, in order to carry out the purposes of the act, if he sees fit, to transfer any metal he is not specifically prohibited from so doing by other law, for coinage purposes or any other purpose consistent with the aims of this legislation?

Mr. RICHARDS. Mr. Chairman, if the gentleman will yield, I would say to the gentleman that the President has such wide discretion in this bill and in the sections mentioned that he unquestionably, if he thinks it is to the best interests of the United States, has the authority to transfer metal for coinage purposes to nations in this program, provided it is not contrary to some other law.

Mr. SIMPSON of Pennsylvania. I thank the gentleman. He answered the question as I thought it should be answered. It is my understanding that there are countries in the world where it is not necessarily food or clothing that is needed to bolster its economy. Rather help by way of developing the industry of the country and maintaining the stability of their currency is indicated. I would like to know whether in this bill we are doing something which could provide a stabilizing influence within their own economy, permitting them to build up and become more nearly self-supporting than they are today. I am happy to understand that it is the gentleman's belief that the President would have such authority, if he saw fit, assuming, of course, that the other law does not deny him the right, by this bill to transfer metals for the purpose of providing a basis for coinage of the nation's money.

Mr. RICHARDS. I do not think there is any doubt about that.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in support of the amendment. Did the gentleman from Wisconsin [Mr. SMITH] say that there was $12 billion available still unexpended?

Mr. SMITH of Wisconsin. Mr. Chairman, if the gentleman will yield, as of the 30th day of June, there will be almost $13 billion. I have not the exact figure, but I think it is twelve-billion-nine-hundred-and-some-odd million dollars, which includes, of course, the new authorization in this bill.

Mr. HOFFMAN of Michigan. Then there would seem to be no reason for the three-billion-plus carried in this bill. It is, indeed, touching to hear the Members on the majority side today call attention to their support of the President. I wonder how many of them voted for him at the last election or will at the next. It is all right to allege support or to pledge support or give support to some individual when he adopts a policy which they originated and follow. But when did they, as a party, ever support a Republican program which they did not think was a detriment to the attainment of their political objectives?

This $2 billion goes to assist the people of Asia—I leave out the word "free" because we do not have very much more freedom here than they have there because sometimes I wonder if in some respects we have any more freedom than do they. For example tomorrow will we be able to ride the street cars or the buses or will we be walking because a local union refuses to operate the transportation system until its demands are granted? The bill is for the support of the people of Asia in their efforts to obtain economic and social well-being. If I read my history correctly, the trouble over in India is that they have too many children, too many people, that starvation has been the only thing that has kept the country in such condition that a few might live. Expressed in a different way, that means that the people of Asia breed too fast. They just have more people than the land will support. And the laws of nature being what they are, they starve to death and have over the centuries.

As I get it, our kind-hearted, sympathetic Christian people like my good friend from Minnesota, Dr. JUDD, want to fix and change conditions in Asia so that the people will have enough to eat, plenty of clothing and culture, shelter, all the good things man desires at the expense of our people so that they will have, I assume——

Mr. SHORT. More babies.

Mr. HOFFMAN of Michigan. Not more babies, as suggested by the gentleman from Missouri [Mr. SHORT], no. I do not know what he thinks on that subject. I have not asked him and I do not intend to, and I do not intend to yield so he can tell me. But that will be the result unless they are taught a different way of life. Now with that objective I am in accord, but it cannot be attained until they quit multiplying as they are now doing. One hundred and sixty or 200 million Americans cannot—they just cannot support some 800 million who continue to produce babies as they do rice. The production of humans is all out of proportion to the production of food and other necessities.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I am sorry, I cannot. The gentleman has now obtained for his foreign proteges about everything the taxpayers in this country can earn. I would like to hear him some time talk in behalf of the people of Minnesota and the district he represents, and in what I and many others believe is in the interest of the people of the United States. I know that is his purpose and that is his idea. But again I suggest he is on the wrong road. His destination is all right but he is going by ship and he will sink it with the cargo he wants to carry long before he is half way there. The doctor's idea is—and it is a wonderfully fine and Christian idea—that we should take from our people because they have something and give to those people over there because they need it. I am in favor of that as long as our giving does not lower the standards of our folks here to a point where they will be suffering privation and be unable to aid the people in India, and China, too—that seems to be the doctor's country—or more properly the country where its peoples' needs are so great the doctor's vision is obscured and he cannot see the end of the road he is following.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman is recognized on his motion.

Mr. HOFFMAN of Michigan. Mr. Chairman, it would be helpful if some Member of this House—there are 435—if just one could get into one statement the number of dollars that we have actually appropriated and how much has been used and how much more our taxpayers can pay to meet appropriations like those carried in this bill.

Some folks want to fix it so that the people of Asia, and those of other parts of the world, will adopt our way of living and conduct. That is all right with us if they are willing to pay the cost themselves. But why should I pay to force their way of thinking and acting upon people who have no desire to accept the thinking of the advocates of this bill? Boiled down, what this bill means is that they want to put us here in the United States of America in competition with an economy over there in Asia that created and maintained by the dollars extracted from our citizens can produce as much and as efficiently as we can here. Yet the same group will talk about a foreign market which will cease to exist if the millions in Asia are given by us the means, the know-how, to equal our production in quantity and quality. If the people of Asia and of India are to support themselves—have all that we have—and I am in favor of that; of course we cannot sell to them the merchandise or food which they will need because they will be producing an ample supply for themselves. That is obvious; is it not? Please do not misunderstand me. I try to be just as charitable and just as kindly and just as much of a Christian as other folks. I do not succeed quite as well as some, but I cannot get away from the ideas that I learned by experience. I cannot get away from the ideas

that the people of my district convey to me. I favor the people of the rest of the world enjoying all of the good things we have but I want them to earn what they want. I do not intend and I will not pauperize my home folks—force them through taxation to care for, feed, shelter, and educate any group or segment of the world's population. That burden cannot be successfully carried by 160 million Americans.

For example, last night a gentleman called me along about 12 o'clock from Fennville, Mich. You do not know where it is; you probably cannot find it on the map. But it is there all right and the people are charitable, industrious, and thrifty. He said, "Now, listen, Congressman. I have 30 acres of blueberries and the State Department is fixing it so that now the price has gone down some 3 or 4 cents a quart. Do you know what that means to me? That means I not only cannot pay any more taxes, I cannot even keep the acres under cultivation and get the crop harvested."

I said, "What do you expect me to do about it?"

"Well," he says, "what did I send you down to Washington for, except to fix things like that."

And that loss of several cents is a problem which if he cannot solve will put him out of business.

"Well," I said, "how come? What is that due to, supply and demand?"

"Oh, no," he says, "the State Department have some sort of an agreement with Canada, and they have cut the restrictions so that the native Canadian blueberries are coming in here frozen and are being made into pies in competition with our blueberries and they do not even wash the Canadian blueberries; they are picked in the woods by the Indians, brought down frozen, then shipped here under some new regulations demanded by the State Department to make the Canadians feel good but which puts my berries off the market."

I said, "That is all up to the State Department. I cannot do anything with the State Department." The State Department runs the Army the Navy the Air Force the other executive departments including the President's advisers—it tells when to go to war—while the fighting is on how far the planes can fly to bomb the enemy—just when the GI's must quit chasing the enemy—stand and be shot at. Again he said, "Well, then we will get somebody that can." Of course, he is going to hunt a long time before he finds anybody that will be heard by the State Department when a plea is made in behalf of Americans, especially one who just grows blueberries or some other food. "You must, of course, not offend our friends," says the State Department.

And do not forget Harold Stassen. Not so long ago he advised us that we were to keep our Armed Forces—some 250,000 of them and I say this to my good friend on the Committee on Armed Services, the gentleman from Missouri [Mr. SHORT]—he is going to keep those boys you fellows have been sending over to Germany, not the same ones but a succession of them, provided their mothers have time to raise successive generations of soldiers from time to time, on and on—they are going to keep them over there for 50 years.

Now, is not that a fine prospect to hold out to the younger generation and those who will come on later? Are the mothers of America—of the United States of America to continue to bear the burden of furnishing cannon—no it is now bomb fodder, for every war the United Nations can get us into? We give away billions of dollars which do not bring peace—which arm those who in the past have become our enemies, and then we turn around and draft or force the enlistment of the crop of young manhood that comes along to serve over in those countries in wars in which we have no real interest.

Frankly, whom do we represent? Do we represent our people? Do the gentleman from Minnesota [Dr. JUDD] and my good friend from Ohio [Mr. VORYS] and the others who support this program, this bill have in their minds first what is good for our people? Yes, the lady from Ohio [Mrs. BOLTON] nods her head, and I am sure she does, she evidently believes that by taxing the home folks to send billions abroad—sometime in some way world peace will come and remain. But she is following the wrong road to a bitter end. Arming potential enemies will never bring a lasting world peace. The kind of a policy—and that is their business—which we have been following—that kind of a policy has had us in one war after another, and it has piled up an obligation to take care of veterans for generations to come, in ever-increasing numbers. Before we get through with it we will find that we have destroyed the opportunities of our people to earn a decent livelihood for themselves, to live in the way which our ancestors were accustomed to follow and enjoy. That we have destroyed the security of this Nation.

Continue to follow the policy we are following today and we will destroy ourselves, our Nation, just as surely and completely as would an enemy by a successful war.

Mr. Chairman, I ask unanimous consent to withdraw my motion.

Mr. JUDD. Mr. Chairman, I object, and rise in opposition to the preferential motion.

Mr. Chairman, I cannot hope to cover all the ground and all the points made by our distinguished friend from Michigan, but I would like to mention 2 or 3.

In the first place, with regard to his contention that because of India's birth-rate, her people are doomed to have a steadily increasing food shortage, which we in America will be called upon to take care of with even greater contributions, the facts are the reverse. India historically has generally had to import 2 to 4 million tons of grain a year. But under the technical-assistance program of helping her people understand and carry out better seed selection and fertilization of the soil and better irrigation, her food production has increased dramatically until she is now practically self-sufficient in food. I do not know any money we have spent that has produced greater results in improving the agricultural production of a nation. India is now able to feed itself, despite its too rapidly growing population. So that was a broadside that I do not think quite landed, because its target of worsening hunger in India has been reduced in size, in fact almost removed, in part by the very program the gentlemen has always opposed.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Is it not a fact that Communist China, where starvation is still rampant, has that difficulty itself, and we can point to India, which is a democratic country, and show the success it has had?

Mr. JUDD. That is exactly correct. The people of Asia look around and see India with its own efforts under a democratic form of government, assisted by our programs, raising its standards of living, however slightly, and for the first time becoming able to feed its people, whereas the greatest famines in all its history are occurring in Communist China, under totalitarian control. That is a tremendous victory for the free world.

The next point I want to mention is this: The gentleman suggested I am for sentimentally giving away billions of dollars to foreign countries in disregard of the well-being of my own people in Minnesota, and so forth. I insist this mutual-security program has saved the American taxpayer money-net, because if we had not had this program it would have cost us a great deal more than $3 billion a year, probably ten or twenty billion dollars more a year, for the expanded Armed Forces we would otherwise have had to build up in the kind of world in which we live.

Does the gentleman know some way to get off this planet and live somewhere all by ourselves? Until he does, I am convinced that the most useful thing I can do for the people of my district, the Fifth District of Minnesota, is to try to work for a world where their children can live in freedom and their economy can be basically sound. Our economy is under a heavy strain; but it is not cracking up. It can stand its present load. I doubt that it could stand the load that would surely be upon it if we stood alone in the world. I believe that this program, net, has not cost us a single dollar, when compared with what we would have had to spend in greatly expanded appropriations for our own Armed Forces, were we to face this great Communist juggernaut alone.

If the advice and votes of some had prevailed, we would be facing not just the enemy that we confront today with one-third of the people of the world under its control; we would be facing an enemy with two-thirds of the people of the world behind the Iron Curtain and under its control, because those now on our side would already have been forced to succumb to Communist pressures without this program of aid.

What does the gentleman from Missouri [Mr. SHORT] of the Committee on Military Affairs estimate it would cost us per year for our military budget if

the rest of the world, at least Europe and Asia, were behind the Iron Curtain?

I will not accept the insinuation that we are being careless and spendthrift with America's money, and are not looking out properly for the interests and well-being of our own districts. We are the ones who are saving dollars net for the American taxpayers.

Furthermore, while we have been carrying this program, we have had the greatest prosperity in our history.

Sure, I have criticism at home from some, like that heard here today. But I do not hesitate to face it. I lay the facts before my people, and the facts will demonstrate that I have not been neglectful of their interests in supporting wholeheartedly this program, while trying constantly to improve it.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

Mr. FULTON. I want 1 minute of my time to speak on this amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. FULTON] is recognized for 1 minute.

Mr. FULTON. Mr. Chairman, I rise in opposition to the amendment because this is the amendment which would cut the President's fund, which he can use for unprogramed and undisclosed purposes in Asia.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. WINSTEAD. I would like to make one point. If I understand the gentleman from Minnesota and other members of this committee, and I would like to have the attention of the gentleman from Minnesota, if I understood correctly, a number of you have pointed out India here today as a democratic government, as an example for other people to look to. I just do not believe that we want that kind of record to stand. I happened to be in India in 1953 myself. I will admit I do not know anything about it, but I did ask a man who had spent 2 years in India, "What is the answer for India?" and he said, "I think you will have to ask someone who has never been in India." I do not believe you would want the debate here to show that we are setting India up as a democratic government as an example for other people to look to.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Chairman, may I have 1 more minute of my time?

The CHAIRMAN. The gentleman is recognized.

Mr. FULTON. Mr. Chairman, I do not mean to say that this is a fund for secret purposes for Asia, but it is an unprogramed fund which the President can spend. So that if we delete this fund or cut it down, it cuts the President's discretion. Under this bill, we are giving him wide discretion and I believe we should defeat the amendment in order to support the President's program of development in Asia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

The amendment was rejected.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 12, line 16, insert the following new subsection.

"(j) Amend section 413 (b) (4) (f) which relates to the authority to issue investment guaranties as follows: Strike out "$200,000,000" and insert in lieu thereof "$300,000,000."

And renumber subsequent subsections.

Mr. JUDD. Mr. Chairman, this amendment does not increase the amount of money to be spent under this bill. It merely increases by $100 million the authority for the issue of guaranties for private investments. This program of guaranties for private investment was initiated in the House of Representatives 6 years ago. The purpose of it, of course, was to encourage private enterprise to invest abroad and thereby reduce the drain upon public funds and upon our own taxpayers. The program did not get started very well, and we constantly urged them to get going. In the last year it has made real progress. In the last 6 months of 1953 applications were filed totalling $26,400,000. From January 1 to June 30, 1954 the amount was $13,700,000. From July 1 to December 31, 1954, $60 million; and in the first 6 months of this year applications have been filed for $131 million. Thus, there are applications for almost 3 times the amount in quaranties that there is authority available. As a result, FOA is now forced to inform applicants for guaranties that it can give no assurance that authority to issue guaranties will be available when the investor's application is perfected. This has discouraged many investors.

The original authorization that we provided several years ago was $200 million. Now guaranties have been issued covering investments amounting to about $104 million. That leaves approximately $96 million available. There are pending applications totaling $189 million. I recognize that not all of those will be granted. Some of them will prove an examination to be impracticable or fuzzy, but we do need to increase the authorization so that the administrators of the program can provide these investment guaranties when enough sound ones come along.

I repeat, the amendment does not increase the money to be spent under the bill. On the contrary, it increases the amount of private capital that may be invested, with the Government having to spent that much less of its own funds.

I think everybody understands the guaranty program. The Government issues no guaranties against ordinary business hazards. It does not guarantee that an investor will make a profit, but if he does make a profit on any money covered by the guaranty, it is guaranteed that the profit can be converted into dollars and taken back home. It also guarantees that if a foreign government should confiscate or expropriate the property of a United States investor, the United States will reimburse him. Guaranties have been issued for $104 million, and we have not had to pay out one cent. Investors pay a fee of one-half of one percent per year for each type of risk covered, just as banks that want their deposits to be covered by the Federal Deposit Insurance Corporation have to pay, I think it is one-quarter of 1 percent premium. $1,300,000 has come in to the United States Government in fees it has collected from United States investors.

This is a sound way to reduce our appropriations for foreign aid; to encourage the making of larger investments of private capital in these programs abroad.

I hope that this amendment will be adopted. It does not take any more money. It allows our own economic system to expand and to work better abroad.

Mr. Chairman, without regard to my amendment today, I wish to make the following points, which we must consider in evaluating the guaranty program and any probable ultimate cost to the United States:

First. Experience and logic indicate that the United States will never have to pay off on all or anywhere near all of the face amounts of the total guaranties issued. It is even possible that the Government might come out ahead. For example, in the 6 years in which the program has been in operation, no money has been paid out, and a total of $1,300,000 has been collected in fees, as I have already pointed out.

Second. The proposed amendment would make the guaranty program run on the same business principles as those employed by private casualty-insurance companies. Nobody expects, and no State law requires, a casualty company to maintain a 100-percent reserve against all casualty insurance policies written. The investment guaranty program should be run in the same manner.

Third. In the event that the United States must pay a claim made pursuant to a guaranty, it obtains all local currencies or claims which were previously held by the investor. This subrogation is recognized by the country in which the investment is located, because FOA issues no guaranties until an international agreement is concluded providing for this recognition. Thus, the United States expects to realize on any foreign currencies obtained and on any claims against foreign governments to which it is subrogated. Actually, the investment guaranty program really provides a means by which investors can obtain immediate compensation for their losses arising from inconvertibility of currency and from expropriation. In the long run, the United States expects to obtain compensation for the losses incurred.

Fourth. Due to the geographic dispersal of the projects for which guaranties have been written, it is extremely unlikely that all guaranties would be called into play.

Fifth. In many cases investors wish to have both convertibility and expropriation guaranties covering the same investment. Where this is done, both guaranties are marked off against FOA's authority to issue guaranties. However, it is almost impossible that the United States would have to pay off on both expropriation and convertibility guaranties covering the same investment.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman has consumed the time allotted to him.

Mr. JARMAN. Mr. Chairman, I am happy to yield to the chairman of my committee at this time.

Mr. RICHARDS. Mr. Chairman, I am opposed to this amendment. I was one of the original supporters of the guaranties. There were $200 million in funds for guaranties in the Mutual Security program. So far we have not been able to commit more than $106 million of it. Therefore, you have $94 million left; and the amendment offered by the gentleman from Minnesota will not do any good. If you wanted to extend the field of the guaranties it would be a different thing, but the program does not need any more money. I thank the gentleman.

Mr. JARMAN. Mr. Chairman——

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. JARMAN. I'm sorry but I do not have time; I cannot yield. Mr. Chairman, at an appropriate time when we go back into the House I will ask consent that a recent letter and material from Charles E. Houston, Chief of this Investment Guaranty Program, be inserted at this point in my remarks.

The matter referred to follows:

FOREIGN OPERATIONS ADMINISTRATION,
Washington, D. C., June 27, 1955.

Hon. JOHN JARMAN,
House of Representatives,
Washington, D. C.

DEAR MR. JARMAN: I am pleased to furnish the information about the investment guaranty program which you requested in our telephone conversation last Friday.

1. Guaranty contracts issued:

At June 30, 1954	$47,700,000
At Dec. 31, 1954	48,700,000
As of June 30, 1955	91,400,000

The June 30, 1955 figure represents 91 contracts. Of these 76, totaling $75,800,000, are guaranties of currency convertibility and 15, totaling $15,600,000, are guaranties against loss from expropriation.

2. Applications pending: at June 24, 1955, $189 million.

In our records, applications pending means applications which can reasonably be regarded as active, i. e., the inevstors are moving ahead with their investment plans and keeping active their applications for guaranty. In short, it is not a "watered" figure. Even so, experience shows that some of the investments will not be made and some of the applications will be dropped.

On the other hand, the flow of applications received is increasing. Also, we are carrying some $87 million of applications in a "deferred" category because the applicants are not actively pursuing their applications. None of the "deferred" figure is included in the figure of $189 million for pending applications. From time to time, however, applicants revive their plans and it may be expected that some part of the "deferred" category will again become active.

Of the current total of $189 million of applications pending, the very great majority are applications which were received after July 1, 1954.

3. Applications in process: At June 24, 1955, $43 million.

In our records, applications in process means applications which appear to be nearing completion, i. e., the investors are completing their investment plans, have obtained or requested the necessary foreign government approvals and are working with us to perfect the final details of their applications.

4. Fees received: At June 24, 1955, $1,280,000.

5. Payments under guaranty contracts: No payment has been made under a guaranty contract.

6. Funds available for guaranties: As of July 1, 1956, $95,680,000.

This figure is derived as follows:

Statutory authority	$200,000,000
Liability under investment guaranty contracts	74,100,000
Balance	125,900,000
Informational media guaranty program:	
Disbursements	16,900,000
Contracts outstanding	5,000,000
Allocation for fiscal year 1956	10,000,000
	31,900,000
Balance	94,000,000
Add fees collected:	
Investment guaranties	1,280,000
Informational media (estimate)	400,000
	1,680,000
Balance available for investment guaranties	95,680,000

As the tabulation indicates, both the investment guaranty program and the informational media guaranty program operate under the $200 million provided in section 413 (b) (4) (F) of the Mutual Security Act of 1954.

7. Country agreements: As you know, the program is put into operation in a particular country on the basis of an agreement between the United States Government and the government of the foreign country. These agreements establish the willingness of the foreign government to participate in the program and the rights which the United States Government will have with respect to currency, property, or claims which it may acquire through the operation of the program.

Twenty-six countries have signed the necessary agreements. A list of these countries is attached. Of the 26, 6 have joined the program since the beginning of 1955. Five of the six—Costa Rica, Ecuador, Guatemala, Honduras, and Peru are in the Latin American area. The other recent addition is Pakistan. Negotiations are well advanced with other Latin American countries and with countries in the Middle East and Asian areas. Although expansion of the program has been slowed by the requirements that formal intergovernmental agreements must be obtained, the increasing number of participating countries has lessened somewhat the problem of geographic availability of the program's protection.

Over the past year, the efforts of the Guaranties Division have been largely directed to four points:

1. Developing procedures which will make getting a guaranty an easy, simple process, free of burdensome red tape and free of the appearance of intervention in private investment arrangements.

Such procedures were developed and were published last October. Many businessmen have stated that they find present paperwork reasonable and in no way burdensome or difficult.

2. Revising the nature of the protection provided by the convertibility contract and the fees charged for both kinds of contracts.

The principal charges in the convertibility contract were: (a) To eliminate the provision by which all receipts from the insured investment reduced the amount of coverage; (b) to eliminate the requirement that the investor schedule his protection, by years over the life of the contract; and (c) to eliminate the complex fee computation previously used.

At present, convertibility contracts provide a single flat amount of protection which is not reduced by transfer of earnings through regular financial channels and for which a simple percentage annual fee is charged.

The new convertibility contract was announced in October 1954; it has been well received.

3. Bringing the program and the changes mentioned above to the attention of the business community.

The program cannot, of course, fulfill its intended purpose unless businessmen are aware of its existence and have some understanding of the protection it affords. Through direct mailing of descriptive material, through visits of staff members to principal cities to discuss the program with groups and individuals in business and financial circles, through publicity related to specific contracts issued, and by various other means, we have tried to make the program and its present form widely known.

The ultimate objective in this direction is to bring about an understanding in the business world that certain non-business risks attending foreign investments are routinely insurable and can be discounted in investment plans in the same way that other insurable risks can be discounted.

4. Extending the program geographically.

The usefulness of the program depends in large part on it being widely operative. In recent months, negotiations have been undertaken with a long list of countries. Since the fall of 1954, 7 countries have joined the program. As mentioned earlier, 6 of these have joined since the beginning of 1955.

Negotiations are continuing with a number of countries, chiefly in Latin America and the Middle East, and it is expected that the list of participating countries will continue to grow.

The investment-guaranty program is unique. Those who undertook its administration at the beginning had to develop policies and procedures to guide its operation and contract forms to express the protection offered. They had to devise country agreement forms and negotiate agreements with foreign governments and they had to bring the existence of the program to the attention of business. I think that helps to explain why the program did not move forward as rapidly as hoped.

We believe that the program has recently gained new impetus, and that it is reasonable to expect that it will play an increasing role in encouraging more private American investors to invest their capital abroad.

Sincerely yours,

CHARLES E. HOUSTON,
Chief, Investment Guaranties Division

(Enclosure: List of countries participating in investment guaranty program.)

Convertibility and expropriation insurance are available in the following countries: Austria, Belgium, China (Formosa), Costa Rica, Denmark, Ecuador, France, Germany, Greece, Guatemala, Haiti, Israel, Italy, Japan, the Netherlands, Norway, Pakistan, Peru,[1] Philippines, Portugal, Spain, Thailand, Turkey,[1] United Kingdom,[1] Yugoslavia.

Additions: Honduras.

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[1] Convertibility insurance only.

OVERSEAS DEPENDENCIES OF COUNTRIES PARTICIPATING IN THE INVESTMENT INSURANCE PROGRAM

Belgium: Belgian Congo, Ruanda-Urundi.

Denmark: Greenland.

France: Tunisia, Algeria, Morocco, Somaliland, French West Africa, Togoland, French Equatorial Africa, the Cameroons, Madagascar and Comoro, Saint Pierre and Miquelon, New Caledonia and dependencies, French Oceania, French East Indian possessions, Reunion Island, Guadeloupe, Martinique, French Guiana.

Italy: Somaliland.

Netherlands: Surinam, Curacao, Aruba.

Portugal: Angola (Portuguese West Africa), Mozambique (Portuguese East Africa), Cape Verde Island and Portuguese Guinea, Sao Tome and Principe, Timor, Macao, Portuguese East India.

United Kingdom: Channel Islands, Isle of Man, Gibraltar, Malta, Cyprus, British West Africa (Nigeria, Gold Coast and Territories, Gambia, Togoland, British Cameroons, Sierra Leone), British East Africa (Kenya, Uganda, Federation of Rhodesia and Nyasaland, Tanganyika, Zanzibar and Pemba, Somaliland), St. Helena, Mauritius and dependencies, Seychelles, Aden (Colony and Protectorate), Malaya, Singapore, Hong Kong, North Borneo, Sarawak, Brunei, Fiji Islands, other British islands of Pacific, Bahamas, Barbados, Jamaica, Leeward Islands, Windward Islands (including Dominica), Trinidad, Falkland Island and dependencies, British Guiana, British Honduras.

Policies and regulations in overseas dependencies often vary greatly from those of the mother country. If insurance is desired for an investment in an overseas dependency of a participating country, we will be glad to explore the matter with the appropriate colonial or territorial offices.

Investment guaranties—Pending applications as of June 24, 1955

Country and product	Convertibility	Expropriation
Austria:		
Ski lift	$9,230	$4,615
Electric heaters	17,000	
Total	26,230	4,615
Belgium:		
Typewriters	105,000	130,000
Steel buildings	320,000	320,000
Total	425,000	450,000
China:		
Rayon plant	1,424,000	1,200,000
Oil refinery	2,200,000	2,000,000
Ammonium sulfate	5,000,000	5,000,000
Total	8,624,000	8,200,000
France:		
Paint spraying equipment	45,000	
Dredges	635,500	100,000
Automobiles	3,800,000	
Do	6,714,000	3,327,000
Automotive equipment	9,000	25,000
Proprietary drugs	669,824	
Gasoline storage facilities	125,000	
Welding materials	1,110,000	
Carbon black	3,000,000	
Styrene monomer	225,000	
Industrial engineering	150,000	
Total	16,483,324	3,452,000
Germany:		
Electronic products	250,000	250,000
Industrial engineering	151,675	189,175
Water treatment compounds	1,493,150	50,000
Dairy products	3,500,000	3,500,000
Powder actuated tools	340,000	265,000
Elevators and elevator equipment	450,000	
High-precision instruments	612,500	612,500
Deoxidizing process		17,500
Optical instruments	550,000	550,000
Automobiles and trucks		3,600,000
Do		4,725,000
Surgical instruments	10,000	10,000
Foods	250,000	250,000
Phonograph records	250,000	220,000
Total	7,857,325	13,989,175

Investment guaranties—Pending applications as of June 24, 1955—Continued

Country and product	Convertibility	Expropriation
Guatemala:		
Lumber	177,000	177,000
Do	70,000	70,000
Total	247,000	247,000
Israel:		
Textile plastics	175,000	100,000
Machinery and equipment	70,000	70,000
Total	245,000	170,000
Haiti: Airport construction		6,000,000
Italy:		
Television sets	150,000	150,000
Intravenous solutions	27,550	27,550
Statuary	60,000	30,000
Refrigerators	932,800	
Hotel management	1,750,000	875,000
Military aircraft	12,224,250	
Brake bonding materials and equipment	100,000	
Pharmaceuticals	175,000	175,000
Do	475,000	300,000
Paint spraying equipment	30,000	
Plastics	70,000	
Electronics	$125,000	
Total	16,119,600	$1,557,550
Japan:		
Utility shares		1,000
Industrial chemicals	3,060,000	1,530,000
Scientific equipment	125,000	50,000
Total	3,185,000	1,581,000
Netherlands:		
Fountain pens	50,000	50,000
Industrial chemicals	2,600,000	1,300,000
Precision instruments	500,000	500,000
Oil burners	61,250	
Chemical finishes	43,750	43,750
Machine tools	100,000	100,000
Total	3,355,000	1,993,750
Philippines:		
Rubber manufacture, tires and tubes	3,564,000	3,600,000
Intravenous solutions	29,190	29,190
Total	3,593,190	3,629,190
Peru: Food products	50,000	
Spain:		
Pharmaceuticals	1,125,000	562,500
Water treatment compounds	532,500	300,000
Industrial chemicals	122,400	
Corn starch	200,000	
Construction	70,000	
Vitreous china plumbing	100,000	42,500
Plastics	62,500	31,250
Total	2,212,400	936,250
Thailand:		
Construction	1,800,000	1,800,000
Tapioca flour plant	100,000	100,000
Total	1,900,000	1,900,000
Turkey		
Textile manufacturing	1,750,000	
Cement blocks	40,000	
Oil refinery	14,000,000	
Rubber products	150,000	
Hotel operating	632,000	
Waste oils	84,000	
Cotton mill	3,768,784	
Truck manufacture	2,850,146	
Pharmaceuticals	1,000,000	
Total	24,274,930	
United Kingdom:		
Machine tools	400,000	
Automatic screw machine	980,000	
Rubber products	1,350,000	
Oil burners	45,000	
Dairy products	1,685,000	
Machine tools	55,000	
Do	200,000	
Hotel operation	1,421,520	
Total	6,136,520	
Various countries: Investment trust	25,000,000	25,000,000
Grand total	119,734,519	69,110,530

Mr. JARMAN. Mr. Chairman, let me say this: At the present time $91 million in guaranties have been issued, and $189 million in applications are pending, with about $95 million outstanding in authorization. An additional $100 million is needed to cover the program.

The $100 million authorization that is set out in this amendment will mean no additional cost to the taxpayers of the country. As the gentleman from Minnesota [Mr. JUDD] pointed out, we have actually made money under this program from fees paid in on guarantee contracts—$1,280,000.

I think it should also be borne in mind that at the present time this entire program is being administered by 4 executives and 2 secretaries. The administrative expense is small.

It is the congressional intent that this program get into indirect as well as direct investments abroad. If we get into the field properly, it has great possibilities in terms of private investments going abroad. It may make unnecessary a certain percentage of the money we have been sending abroad as foreign aid. This is a great opportunity, it seems to me, for expanding the field in a program that offers great hope for the future, at no cost to the taxpayer.

I would add that I think in fairness to the consideration of this amendment, it should be said that when it was taken up in the committee, the gentleman from Minnesota [Mr. JUDD] who introduced the amendment, was not able to be present and the matter was not affirmatively presented to the committee. Had it been, I honestly believe it would have been accepted by our committee.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not a fact that the amendment is now in different form, in a different amount? I have been a fan for this guarantee business and loan business for 7 years, and finally we have gotten an illustration of where it is really starting to be used. It is obvious that there is more guarantee available than we have authorization for, and, therefore, we could expand it by $100 million. We have made money on the deal so far.

Mr. JARMAN. I thank the gentleman.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. FULTON] is recognized.

Mr. FULTON. Mr. Chairman, I favor this amendment to expand the authorization for the increase of the guaranty program to enable United States businessmen to invest with security abroad. This program permits businessmen to get guaranties abroad for their investments by paying a fee to obtain a guaranty contract. This is a help to increased private investment abroad, and will permit reduction in the foreign aid program as private business increases. We must look ahead to cutting down the foreign-aid program and eliminating it entirely, so private business should be encouraged to handle more of investment programs abroad.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The question was taken; and on a division (demanded by Mr. JUDD) there were—ayes 46, noes 91.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 14, line 19, strike out the figure "1958" and insert "1955."

Mr. GROSS. Mr. Chairman, under the title "World Health Organization and Contributions Made Thereto," it is provided that we appropriate more than 33⅓ percent to this organization. My amendment would simply say that we contribute 33⅓ percent beginning as of now instead of the 37 percent contribution we are making. I think that 33⅓ percent is enough and far more than enough for the United States to appropriate for the support of any of these international organizations.

Mr. Chairman, I have a letter from Thruston B. Morton, of the Department of State, which states:

Since 1952 the United States has been assessed 33⅓ percent of the total assessments of all members of the World Health Organization. Nine of these members are Soviet and satellite countries which for several years have not participated in the activities of the WHO but continue to be assessed because in the WHO there is no automatic procedure for withdrawal from membership, and the necessary majority has been lacking in the Health Assembly to take action officially recognizing the withdrawal of these countries.

What the Assistant Secretary of State is saying is that representatives of the United States and other countries have not the courage to throw the commies out of this World Health Organization unless they pay up their share of the costs.

He goes on to say:

At the eighth session of the World Health Assembly in Mexico City May 10 to 27, 1955, the United States proposed that the assessment scale should be revised so as to reduce the maximum contribution to a level not exceeding 33⅓ percent of total assessments of active members alone.

The action revising the scale was approved in plenary session by a vote of 43 in favor, 2 against.

That is, the vote was 43 to 2 against us. The United States voted against the action taken on the grounds that we should go back to 33⅓ percent immediately and not over a 3-year period.

What I am trying to say is that there is a principle involved here. These foreigners in this world health organization have voted a tax increase upon the people of the United States. No matter if the amount is small, that is what they can do, and that is what they have done. I am opposed to any international organization levying taxes upon Americans because the commies will not pay up or for any other reason.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New Jersey.

Mr. HAND. I think the gentleman is entirely correct. I ask him now whether this House has not passed legislation requiring that our contribution be not to exceed 33⅓ percent? I have some recollection of something of that sort.

Mr. GROSS. I think we did with respect to 1 or 2 international agencies, but I doubt that the legislation was all-embracing.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Missouri.

Mr. SHORT. I take it, the gentleman from Iowa [Mr. GROSS] like the gentleman from Michigan [Mr. HOFFMAN], does not want to sharpen the razor to hand to an enemy to cut our throat.

Mr. GROSS. Exactly so. There is a principle involved here, whether you are in favor of a bunch of foreigners increasing the taxes of the people of the United States. If they can do it in this case, they can do it in any case.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Chairman, this amendment actually reduces the percentage that America will hereafter contribute to the World Health Organization. As the gentleman from Iowa has said, it has had two budgets. One is a legal but fictitious budget based on assessments to all the member countries, including Communist countries, which never pay anything. The other budget is the actual operating budget. Our share of the former has been 33⅓ percent. Our share of the latter has been 36.76 percent.

In the recent annual meeting of the Assembly of the WHO at Mexico City, to which two of our delegates were Members of this House, the gentleman from Pennsylvania [Dr. MORGAN], and the gentleman from Kansas [Mr. AVERY], the World Health Assembly voted that it would reduce America's contribution to the actual operating budget of this organization in four equal stages, so that by 1959 we will not be constributing more than 33⅓ percent of the total assessment to the active members—the actual budget.

This committee amendment increases the percentage that other nations will contribute to the budget of the World Health Organization. It reduces the percentage that the United States will contribute to the World Health Organization. The whole story is told in detail on page 36 of the committee report.

I am sure the gentleman from Iowa is interested in reducing America's share of the budget of this and every other international organization. So he should support this amendment for it will do exactly that.

The CHAIRMAN. Does the gentleman from Iowa desire to withdraw his amendment?

Mr. GROSS. No, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

SEC. 9. Title V, chapter 1, of the Mutual Security Act of 1954, which relates to general provisions, is amended as follows:

(a) In section 501, which relates to transferability of funds, insert, in the first sentence, the words "in any fiscal year" after "transferred" and after "increased"; and delete the last two sentences of said section.

(b) In section 502, which relates to use of foreign currency, in subsection (b) after the word "amended," insert the words "and to the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report,"; and in the proviso after the word "Senate" the second time such word occurs insert the words "or a joint committee of the Congress".

(c) In section 503, subsection (b) is hereby repealed and subsection (c) is redesignated as "(b)".

(d) (1) Change the heading of section 505 to "Loan Assistance and Sales".

(2) Add the following sentence at the end of subsection (a) of section 505: "Whenever commodities or services are sold for foreign currencies the President, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, may use or enter into arrangements with friendly nations or organizations of nations to use such currencies for the purposes for which the funds providing the commodities or services which generated the currencies were appropriated."

(e) Add the following sentence at the end of section 509, which relates to shipping on United States vessels: "The ocean transportation between foreign countries of commodities, materials, and equipment procured out of local currency funds made available under this act shall not be governed by the provisions of section 901 (b) of the Merchant Marine Act of 1936, or any other law relating to the ocean transportation of commodities, materials, and equipment on United States-flag vessels."

The CHAIRMAN. The Clerk will report the first committee amendment printed in the bill.

Mrs. KELLY of New York. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state it.

Mrs. KELLY of New York. If these committee amendments are voted upon, will that preclude my amendment on page 16, line 23?

The CHAIRMAN. Is the gentlewoman's amendment an amendment to the committee amendment?

Mrs. KELLY of New York. It is not, Mr. Chairman.

The CHAIRMAN. Unless it is an amendment to the committee amendment, disposition of the committee amendment would not affect the amendment of the gentlewoman from New York.

Mrs. KELLY of New York. I thank the Chairman.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. SHORT. I object, Mr. Chairman.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 15, line 24, strike out all of line 24 down to and including line 3 on page 16.

Mr. BONNER. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BONNER. Mr. Chairman, I should like to know where the Clerk is reading.

The CHAIRMAN. The Clerk is reporting the committee amendments printed in the bill in the order in which they appear there.

Mr. BONNER. I want to know where he is reading at this time; that is all I ask. I know the Clerk is reading them in order, but I should like to know just where in the bill he is reading.

The CHAIRMAN. The gentleman may ask unanimous consent for the amendment to be reported again.

Mr. BONNER. I do that, Mr. Chairman.

The CHAIRMAN. Without objection, the Clerk will report the committee amendment.

There was no objection.

The Clerk read as follows:

Committee amendment: Page 15, line 24, strike out all of line 24 down to and including line 3 on page 16.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 16, line 4, strike out "(b)" and insert "(a)."

Page 16, line 11, strike out "(c)" and insert "(b)."

Page 16, line 13, strike out "(d)" and insert "(c)."

The amendments were agreed to.

The Clerk read as follows:

Committee amendment: Page 16, line 24, strike out all of line 24 down through and including the word "vessels" in line 24 and insert:

"(d) In section 509, which relates to shipping on United States vessels, insert '(except surplus agricultural commodities)' after 'commodities', and add the following sentence at the end thereof."

The CHAIRMAN. The question is on the committee amendment.

Mr. BONNER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BONNER to the committee amendment: On page 17, lines 2 and 3, strike out the words "insert '(except surplus agricultural commodities)' after 'commodities', and."

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Mr. Chairman, everybody knows the issue involved here, I think. There is no use taking up time in making hour-long speeches as I heard one of the gentlemen say they would do.

Mr. Chairman, I move that debate on this section and all amendments thereto close in 20 minutes, the last 5 minutes to be reserved to the committee.

Mr. BONNER. Mr. Chairman, I do not yield for any such request.

The CHAIRMAN. The gentleman from North Carolina [Mr. BONNER] declines to yield for that purpose.

Mr. BONNER. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Chairman, it was not my purpose to speak in opposition to this foreign-relief bill. I was around here during the WPA days and the PWA days. I remember when it got to going so strong it became professional, and Congress had a tremendously difficult time in ever stopping WPA and PWA. I am beginning to believe, Mr. Chairman, that this foreign aid of the State Department is beginning to be professional.

I have been around the world, I have been to all the countries in which this aid is being given. The only thing you hear in these countries is fussing and scrapping as to why some other country was given more than B country is receiving. It is a deplorable situation.

I have the highest regard and respect for all the Members in this House. My dear friend from South Carolina at times surprises me.

That is all I have to say about the bill.

It is my responsibility and the responsibility of the other 29 or 30 members of the Committee on Merchant Marine of the House of Representatives under the 1936 act passed by this Congress to perpetuate and keep strong the American merchant marine, recognized as the third arm of our national defense.

The great chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], and the distinguished gentleman from Missouri [Mr. SHORT] come before this House from time to time with authorization for the armed services. Everybody is interested. No one asks a question, hardly, because we all know we must have a strong national defense. The gentleman from Missouri is an able gentleman. He knows that the armed services cannot get along, cannot be sustained in the foreign nations in which we have bases today, unless we have the Military Sea Transportation Service and a strong American merchant marine. You just simply cannot perpetuate the armed services in foreign bases unless this condition is aided by the American merchant marine so as to have sufficient cargo ships, dependable service, and a nucleus of trained men, sailors, if you please, from which to expand in case of emergency.

This is the ninth occasion the members of the Committee on Foreign Affairs have come into this House to beat down the American merchant marine. You ask why I say that? This cargo is the largest cargo that moves on the sea today. You say, "Well, why don't you just subsidize the American merchant marine?" What do you want to do? Do you want to subsidize it? Do you want to subsidize the officers and sailors in the American merchant marine, and further tie up these ships down here in the James River or the Hudson River and give them nothing to do? That is just what you do if you take this cargo away from them.

Only this week we had the vice president of one of the great American lines before the committee and he said, "If this amendment carries it means immediately we will retire from 10 to 15 of the ships of our fleet of 30 vessels."

The Foreign Affairs Committee by this bill seems to forget American commerce. Apparently, their only interest seems to be in foreign merchant marines.

In connection with that, I will say to my fine friend the gentleman from Mississippi, and I really have the highest respect and regard for him and sincerely like him, I do not want to mention the name of any nation, but there is one great nation that wants America to withdraw its flagships from the high seas, and that nation requires practically all importers to direct that all merchandise coming into their industry be shipped under the British flag. Now, Mr. Chairman, I did not intend to say that, but that is the situation. As for cotton, I will tell you what the British did. You know there is one commodity that is a monopoly in Great Britain. They were negotiating a lump order down here at the Department of Agriculture for 3 or 4 commodities. All the commodities but 1 were shipped 50–50, but as to the 1 commodity—they said it had to go entirely under the British flag. Two gentlemen came to see me and said, "Won't you offer a resolution or something to change this 50–50 law?" I said, "No, the people would not want me to do that." So, Mr. Chairman, I do have a responsibility. I think the American merchant marine, by facts that can be shown in some of the records I have here, have subsidized the Commodity Credit to the extent of 444 vessels which are being used now by the Commodity Credit Corporation as storage for grain.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. BOGGS. The gentleman, as chairman of a very distinguished committee of this body, knows that last year your committee reported out legislation on this very point; is that not correct?

Mr. BONNER. It was considered in the House on the merits and the legislation was adopted.

Mr. BOGGS. And adopted by both bodies and signed by the President.

Mr. BONNER. That is right.

Mr. BOGGS. And now the Committee on Foreign Affairs attempts to change that basic law, which we passed last year?

Mr. BONNER. That is correct.

Mr. BOGGS. Does the gentleman know whether or not any hearings were held before either his committee or the Committee on Foreign Affairs on this issue?

Mr. BONNER. I do not think there were any hearings held before the Committee on Foreign Affairs, and I know there were not any hearings held before our committee.

Mr. BOGGS. There were no hearings held before your committee?

Mr. BURLESON. Mr. Chairman, if the gentleman will yield to me in order

to answer that, we held hearings on that for about 7 years.

Mr. BONNER. Yes; and I will tell you what you did—it is in your report. You held a hearing, and the gentleman from Ohio [Mr. VORYS] made inquiry of a Mr. Paul on $13 million, which is in the bill to pay freight, and he asked Mr. Paul what the 50–50 act would cost in respect to that $13 million. Mr. Paul could not answer the question then, so later he sent down a memorandum showing it would cost $55,000 to ship 50–50.

Mr. BOGGS. Since 1948, which I believe is the year of the first Marshall Act, we have had this fight, it seems to me, every year on the floor of the House of Representatives; is that correct?

Mr. BONNER. That is correct. That is the very reason the Committee on Merchant Marine and Fisheries reported out the bill making the 50–50 law apply to all American-generated cargoes.

Mr. BOGGS. And each time the fight has been won on the floor?

Mr. BONNER. Each time it has been won on the floor.

Mr. BOGGS. So this time the committee decided it will amend the basic law which we passed last year.

Mr. BONNER. Some people just like punishment. That is all.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. MILLER of California. Will the gentleman call the attention of the House to the fact that he has been instructed by the Committee on Merchant Marine and Fisheries, after due deliberation, to oppose this legislation, which has been defeated nine times in this House.

Mr. BONNER. The resolution of the committee was inserted in the RECORD 2 days ago.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BONNER] has expired.

(By unanimous consent (at the request of Mr. MILLER of California), Mr. BONNER was granted 5 additional minutes.)

Mr. BONNER. Mr. Chairman, there are 29 or 30 members of the committee, and there are many, many Members of the House who are deeply interested in this amendment.

Mr. MILLER of California. Will the gentleman yield again?

Mr. BONNER. I yield.

Mr. MILLER of California. Will the gentleman also tell the House that the Committee on Merchant Marine and Fisheries held extensive hearings under his direction last February to consider this thing thoroughly?

Mr. BONNER. That is correct.

Mr. MILLER of California. And we could not find any evidence that there was excessive cost brought about by the 50–50 law?

Mr. BONNER. But there was lack of interest by the responsible agencies in seeing that the 50–50 law worked as it should work, and we directed the agencies to hold meetings and get together so that this law could function.

Now, the act further states that if ships are not available at a fair and reasonable rate, then foreign vessels shall be used.

I yield now to the gentleman from Missouri, the ranking member of the great Committee on Armed Services [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I do not want to trespass upon the patience of the Committee. I do want to say that it is refreshing and encouraging to find that the Committee on Foreign Affairs is paying a little attention to Asia.

I want to congratulate the gentleman from South Carolina [Mr. RICHARDS] and all members of his committee for the shift in emphasis that they have made. He is a very able and fine gentleman. But, Mr. Chairman, I am a little shocked that this Committee on Foreign Affairs would try to circumvent or come in the side door or the back door to force upon this House something we have spoken upon very definitely, especially since the legislation was considered by the Committee on Merchant Marine and Fisheries.

We all love HERB BONNER. I think he is talking good hard common sense. If you want to keep this country safe, let us keep a healthy, sound, going merchant marine. I am for the amendment offered by the gentleman from North Carolina [Mr. BONNER]. I think it is absolutely the best investment we could make, and I hope we all vote for it.

Mr. BONNER. I thank the gentleman.

Mr. Chairman, in granting a rule, the Committee on Rules made provision and left open in the rule provision so that points of order could be made against amendments affecting the 50–50 provision of shipping American.

Mr. BURLESON. Mr. Chairman, I rise in opposition to the amendment.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield.

Mr. RICHARDS. First, Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RICHARDS. Will the gentleman yield for an observation?

Mr. BURLESON. I yield.

Mr. RICHARDS. I just want to say for the information of the House, whatever the merits of the amendment may be, this great expert on navigation and shipping, is incorrect when he makes the statement that the Foreign Affairs Committee asked for a closed rule. He is also incorrect when he says that this House has ever taken a vote on the question of shipping in American bottoms related exclusively to surplus farm commodities. These surpluses have been growing every year. This is a new question.

The gentleman from Texas is a great student of this question. He is the man who offered the amendment in the Foreign Affairs Committee on this point which was adopted, and I want to commend him for the study he has made of the subject. The gentleman from North Carolina should sit down a little bit and listen to the facts about the agricultural problem that confronts his district as well as those catfish boats that sail up the Pamlico River.

Mr. BURLESON. I thank the gentleman and appreciate his compliments.

Mr. Chairman, I have no illusions about the immediate situation. I am facing a hostile audience, but that does not give me a great deal of concern. I do want you to hear a few facts from the record. If the gentleman from North Carolina had yielded to me I would have asked him four simple questions which he could have answered "Yes" or "No." He might have converted me to his point of view if he had answered them consistently.

We have received many letters and telegrams saying it will wreck the merchant marine of the United States if we do not adopt this amendment. We have all received telegrams saying that it will be the death of the maritime industry and all that sort of thing unless we adopt this amendment. I assume my good friend from North Carolina subscribes to that language.

Now, if he had yielded to me I would have asked him a question but instead I am going to have to answer it myself. I would have asked him if he did not vote against the bill last year. This same amendment was adopted last year. The gentleman did not by his vote help keep 15 or 18 ships in operation as he says this provision does. He did not help keep all these people employed as he says this will do. The next question would have been, How is the gentleman going to vote on this bill today?

Mr. BONNER. If the gentleman will yield.

Mr. BURLESON. I am not yielding. The gentleman would not yield to me. I shall assume he is against the bill now and will not finally vote to carry out the provision he so ardently espouses in his amendment.

Mr. BONNER. The gentleman asked me a direction. I voted against the bill.

Mr. BURLESON. How is the gentleman going to vote on the bill today?

Mr. BONNER. I am going to vote against the bill. Do you want to know why?

Mr. BURLESON. That is just what I thought. I do not yield further.

So the gentleman will vote against the bill today even though his amendment is adopted, yet it becomes the life and death of the merchant marine according to his view and contention.

Now, Mr. Chairman, there is seemingly a disposition on the part of those who favor the cargo prefential clause to assume that those who oppose are unfavorable toward the maintenance of a strong merchant fleet.

Nothing could be further from the truth. Those of us who feel that this provision is unnecessary and unwarranted have no different view than that expressed by the President of the United States in his message to the Congress when he approved Public Law 664, August 26, 1954.

In that message the President said:

It appears that the major purpose of S. 3233—

Which later became Public Law 664—

is to confirm on a permanent basis policies we have been following for a number of years. United States vessels are already carrying better than 50 percent of aid cargoes and cargoes resulting from the Government's stockpiling program. However, certain provisions of this legislation cause me concern and I hope the next Congress will reconsider them. I refer particularly to the provision with regard to currency convertibility which, as it applies to title I of Public Law 480, 83d Congress, would handicap the disposal of United States agricultural products abroad, and to the provision with regard to offshore procurement which, by forcing United States vessels into trades in which they normally do not operate, could increase the cost of the aid program.

The President goes on to say in his message:

I am hopeful that the Department of Commerce study will result in some sound suggestions for the maintenance by direct means of a merchant marine adequate to the requirements of the United States. When this study is completed, I may wish to recommend additional changes in this legislation.

So the President of the United States, while recognizing the necessity of a strong and adequate merchant marine, expresses his deep concern that this provision is forced into the mutual security legislation.

The Randall Commission, on page 69 of its report, expressed its opposition to the preferential cargo provision and recommended its elimination. It also recognized the necessity for a strong merchant marine and referred to it, as has the Defense Department, as the "fourth arm of our defense."

The Acting Secretary of the Treasury, Mr. M. B. Folsom, expressed the official view of the Treasury Department toward the forced requirement which Congress in the past has imposed upon this legislation.

So, Mr. Chairman, there is no inclination on my part, and I am sure there is none on the part of any other Member of this body, to contend in the slightest degree that anything should be done which would injure or impair in any respect the health of the maritime industry. Contrarily, it has been the judgment of the Congress for many years to grant direct subsidies to the industry for not only construction of merchant vessels, but a direct subsidy to the operating companies.

Before someone should make the challenge that agriculture receives its share of subsidies, allow me to point out that regardless of guaranteed loan provisions and the price-support system for agriculture, there is no guaranty against the hazards of the elements which the farmer must constantly face. There are myriads of subsidies of various types and kinds, but I know of no subsidy which guarantees a percentage of return on investment other than the merchant marine. I know of no other industry which receives a fairer treatment.

The supporters of the 50–50 preference cargo amendment use such terms as "death knell" and "severe body blow" and other severe references to the welfare of our maritime industry should this provision not be sustained. But the President has said that regardless of this provision, "United States vessels are already carrying more than 50 percent of aid cargoes and cargoes resulting from the Government's aid program."

I again refer to his words of concern that the requirement contained in the preferential cargo provision will increase the cost of aid programs.

Now, Mr. Chairman, what has been the increased cost? In fiscal year 1953–54 under section 402 of the Mutual Security Act, the Foreign Operations Administration reports that the added cost was $1,450,000. For the fiscal year 1954–55, the price differential between American ships and those of foreign tramp vessels was $1,100,000.

Under the Agricultural Development Act, Public Law 480, the additional cost is more impressive. The cost in this instance is approximately $13 million for transportation which could have been furnished by the recipient countries. Incidentally, $13 million could have purchased an additional 80,000 bales of cotton or 8 million bushels of wheat.

There are impressive figures dealing with specific countries which illustrate the aid cost under present law. If any Member desires to see some comparisons on specific countries, I shall be glad to furnish it to them, but will not weight down the record unnecessarily .

Mr. Chairman, the added cost is not, in my opinion, the strongest argument involved in this issue. The strongest evidence against this amendment is to be found in the fact that there are about 13 nations who are capable and insistent on coming after their own cargoes purchased under the law. Under Public Law 480, we have been able to sell $217 million worth of farm products to 13 countries, all of whom could have furnished their own transportation. The Commodity Credit Corporation was required to spend $13 million for transportation which could have been furnished by these recipient countries.

Even a country unable to furnish its own transportation in many instances is able to employ the services of other maritime countries to transport their purchases to them, by reason of their peculiar monetary relationship. But under this provision, we insist on paying for this same transportation in American dollars.

May I cite you a direct example from an Associated Press news article in Copenhagen on April 5, 1955:

Denmark has refused to buy $7 million worth of United States surplus foodstuffs because half of it must be shipped in American ships.

Turning down the latest American offer, the Danish Government said yesterday it felt that trade in the free world should flow freely and that shipping should not be subjected to clauses reserving special rights for any nation.

Mr. Chairman, the most highly reliable information is to the effect that Denmark was forced by this situation to purchase food grains from the Soviet Union. This situation has been repeated in a number of instances. To insist that American ships deliver purchased cargoes to countries like Denmark, the other Scandinavian countries, the British, and a number of others whose chief industry is shipping, is like insisting that a diesel engine purchased by the Pennsylvania Railroad be delivered by truck.

Mr. Chairman, this is not all of the ill effects surrounding the Cargo Preference Act. It has had the effect of constricting competition. The American tramp steamer rates have risen from an average of $13 a ton to near $17 a ton, or just about on par with the American flag vessels. This is the result of their knowing that the business is there for them. Likewise, the foreign tramp vessel can and have jacked his price up, although remain approximately $3 below that of American vessels, and reap a tremendous margin of profit. These added costs are not used in the figures I have previously quoted, because they can only be estimated on conditions which would prevail if this provision was not in force.

Mr. Chairman, the amendment under discussion jeopardizes the movement of agricultural surplus commodities which are a capital asset of the American Government. It restricts our market outlets and seriously impedes and contradicts the sense of the Congress expressed in Public Law 480. It is losing markets for American products and restricts competition in the shipping industry.

It is perfectly true that on the surface it is not possible for the United States Maritime Service to compete with foreign shipping. It is equally true with many other industries, and therefore, we have a system of tariffs and quotas. But mainly American industry competes with foreign industry, whether it be agriculture or any other business, on the basis of quality, dependability, and integrity. In this instance the philosophy of reciprocal trade is involved, and so is the proposition of "trade, not aid," to which I think a large majority of this Congress subscribes.

If we permit free competition; if we follow the provisions of Public Law 480 to extend and expand world markets for agricultural products; if we recognize the necessity of maritime nations to transport their own cargoes, trade will increase. The American merchant marine will share in that increase and regardless of world competition in shipping, our own maritime industry, in my opinion, will receive its share and more under these circumstances. Again I remind you that the President of the United States has stated that it has been receiving more than 50 percent, and no doubt it will continue to do so.

Mr. Chairman, I trust the amendment will be defeated.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Minnesota.

Mr. JUDD. Did we not get testimony from General Gruenther that when criticism came to him because one of the countries we are helping in Europe was buying many thousands of tons of wheat from a Communist country, he approached the country to ask why it was buying wheat from this Communist country instead of from the United States? The country replied that if it

bought the wheat from the United States it would have to spend precious dollars not for grain but for shipping in American bottoms, although it itself has a large merchant marine. It would prefer to buy wheat from us if it could ship it in its own vessels. But if not, then it had no choice but to buy from Russia or the satellites. This provision definitely cuts down our shipments of grain.

Mr. BURLESON. That was the fourth point. There is no question about that. On April 5 of this year Denmark canceled an order for 7 million bushels of wheat. And, where did she go to satisfy her needs? She could not go any place except possibly to Canada, but she did not. The Soviet Union was her unwilling choice. The British canceled an order amounting to $31 million in value for agricultural commodities because she could not send her own ships for it.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Connecticut.

Mr. MORANO. Is it not true that the American merchant marine companies are reluctant to carry this surplus commodity cargo and thereby have delayed the disposal of surplus commodities?

Mr. BURLESON. I do not know that they were reluctant to carry it, but it was delayed. There was a bottleneck. You deny that there was a bottleneck, but there is testimony supported by the gentleman. He says in effect there was a bottleneck because some of this stuff came into the ports which they could not move. They knew that they could get their own price for moving it, and it is costing money every day.

Mr. MORANO. They call this a 50–50 law. Is it not a fact that the law says at least 50 percent, so that sometimes it goes up to 90 percent?

Mr. BURLESON. Of course, that is correct and the President confirmed that fact by his statement in signing Public Law 664.

Mr. DODD. Mr. Chairman, I move to strike out the last word.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. BONNER. I object, Mr. Chairman.

Mr. RICHARDS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. DODD].

Mr. DODD. Mr. Chairman, I listened carefully to the remarks of the gentleman from North Carolina [Mr. BONNER] when he was addressing the House, at which time he talked about the whole Committee on Foreign Affairs. I would remind the gentleman, whether he knows it or not, that there was a rather close division in the committee on this question. But I would also suggest that these intemperate words about brainwashing our chairman and about this committee lacking concern for the welfare of this country are not likely even to hold the votes on his side that were in the committee.

We had quite a considerable discussion on this question, and my recollection is that there was a 1-vote margin, perhaps 2. I am not sure, but it was very close.

I can assure the gentleman that our chairman has not been brainwashed nor have any of the members of the committee and that no members of this committee have lost interest in the United States.

The CHAIRMAN. According to the list of Members who have indicated a desire to speak and the time fixed, Members will be recognized for one-half minute each.

The Chair recognizes the gentleman from California [Mr. MAILLIARD].

Mr. MAILLIARD. Mr. Chairman, I ask unanimous consent that I may yield my time to the gentleman from Washington [Mr. TOLLEFSON].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MASON. Mr. Chairman, I object. I shall object to any proposed transfer of time.

Mr. MAILLIARD. Mr. Chairman, I yield to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, this happens every time this matter comes up. Time is limited so that we do not have an opportunity to explain our position. The House has spoken on this matter nine times overwhelmingly, and there is no reason on record now why the House should not do the same thing again. I wish I had time to answer the statements made by the gentleman from Texas [Mr. BURLESON] with respect to the effect of the 50–50 program upon this situation.

The CHAIRMAN. The time of the gentleman from California [Mr. MAILLIARD] has expired.

The Chair recognizes the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I am glad to yield to the senior member of our committee, the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, the facts are that our hearings, which were held just a couple of months ago, indicated the effect of the 50–50 program upon the disposal of surplus agricultural products and showed that that effect was nil. Spokesmen from the Department of Agriculture who were in favor of our program had to admit that the total difference in cost, if all our products were shipped in American tramp ships, would only be $14 million, and that it would drop below that figure depending on the extent to which cargoes were carried on liner vessels. The rates on American and foreign liner vessels are exactly the same.

The CHAIRMAN. The time of the gentleman from California [Mr. YOUNGER] has expired.

The Chair recognizes the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. I am for the Bonner proposal, and I yield to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, the facts are that the program does not cost any more if the cargoes are shipped on liner services. The liner service rates on foreign-flag ships are exactly the same as the liner rates on American-flag ships. The only difference in cost occurs when tramp ships are used. It is estimated that only 20 percent of these cargoes will be carried on tramp ships, and if only one-half of that would be carried on American tramp ships it can readily be seen that only 10 percent of the total cargoes would be shipped on American tramp vessels. Based on present tramp rates it would cost under $2 million more to use American ships 50 percent of the time. That figure was arrived at by a research group which looked into this matter.

The CHAIRMAN. The time of the gentleman from California [Mr. SHELLEY] has expired.

The Chair recognizes the gentleman from California [Mr. ALLEN.]

Mr. ALLEN of California. Mr. Chairman, I, also, favor the position taken by the gentleman from North Carolina, [Mr. BONNER] and I yield to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Additional facts are that the disposal program has not been delayed by the 50–50 law. The committee's own record with respect to the disposal of the products would indicate that more than 50 percent of the $700 million involved in the surplus agricultural products disposal program of last year has already been committed in the first year, and it is a 3-year program.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY of New York. Mr. Chairman, I am for the Bonner amendment. I yield my time to the gentleman from Washington [Mr. TOLLEFSON].

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. That is against the rules, unless the gentlewoman comes to the well.

The CHAIRMAN. The gentlewoman from New York may yield to the gentleman from Washington.

Mr. HOFFMAN of Michigan. The point of order is that she can address the Chair and ask to be recognized and get recognition, and then yield to the gentleman from Washington.

The CHAIRMAN. The gentlewoman addressed the Chair. She now yields to the gentleman from Washington.

Mrs. KELLY of New York. I yield to the gentleman from Washington.

Mr. TOLLEFSON. The gentleman from Texas made reference to the President's message. The administration bill did not contain this provision this year or last year. The administration is not asking for the provision in the bill that the Foreign Affairs Committee seeks to put into it. The administration is supporting the 50–50 legislation. The President signed it last year, and we

have it on authority this year that the administration is still supporting it.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

The Chair recognizes the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, propaganda against the 50–50 legislation which has been spread around this country has emanated from foreign nations, the maritime nations, and I so stated in my speech on the floor yesterday. I tried to point out the activities of the foreign nations who have tried to upset our 50–50 program. It may be that some of them have said, "We won't buy," but the facts are that they have bought.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Texas.

Mr. BURLESON. I would like to be straightened out if I am incorrect about what the President said. He was talking about the permanent law, Public Law 664, when he signed it into law.

Mr. TOLLEFSON. The fact is that the administration bill did not carry the provision against the 50–50 legislation to which the gentleman referred.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BYRNE].

Mr. BYRNE of Pennsylvania. Mr. Chairman, I am for the Bonner amendment. I yield to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. I thank the gentleman. I do not think I have ever had an experience such as this.

I do want to impress on the House that there have been those individuals who have succumbed to the foreign propaganda. As I stated a moment ago, there has been committed under the surplus agricultural products disposal program some $400 million or $450 million worth of commodities in the first year, and it is a 3-year program. According to the estimate we had made, the cost would not in the final analysis exceed $2 million for the whole $700 million disposal program. I trust that the House Members will support the Bonner amendment.

Mr. RAY. Mr. Chairman, it has long been the national policy to have and maintain an adequate and strong merchant marine, privately owned and operated and modern and efficient. Such a merchant marine must be large enough to carry a substantial part of foreign commerce to and from this country in times of peace and to meet the national-defense requirements in case of emergency.

Except for the years of World War II, we have subsidized construction and operation of merchant ships, both cargo and passenger and the appropriation this year will carry approximately $100 million for that purpose. Subsidy payments have been increasing rapidly since World War II but a part of the recent increase is due to the fact that for several years, we did not make any payments to meet our subsidy contract obligations which had matured. Even allowing for that fact, the increase has been large and will be larger as time goes on, unless we change our policy or find better ways of carrying out that policy than we have so far discovered.

The Merchant Marine and Fisheries Committee has been holding hearings to get at the causes and canvass all possible remedies for this worsening situation of the merchant marine. Those hearings will continue for some time, but it seems clear already that if we are to maintain our national policy, we will either have an increasingly heavy load of subsidies or we must find cargo business for our merchant fleet.

One of our resources as a nation is control over the shipping of large quantities of cargo coming to or going from this country. That resource has not been effectively used. We must mobilize to make sure that enough of that cargo uses American-flag ships to reduce instead of increasing the amount of our subsidy bills.

It is merely silly for us to pay increased subsidies which could be avoided by shipping Government cargoes in American vessels. The bill before us seeks to do just that. The amendment proposed by the gentleman from North Carolina [Mr. BONNER] should be passed and I hope it will be adopted by an overwhelming vote.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RADWAN].

Mr. RADWAN. Mr. Chairman, I rise in support of the Bonner amendment.

On nine occasions since 1948, legislation covering Government-generated cargoes has provided that at least 50 percent thereof move on United States flag vessels. Last year, in Public Law 664, Congress applied this historical principle to all Government cargoes including agricultural surpluses which are financed directly or indirectly by United States public funds.

The Mutual Security Act of 1955, S. 2090, as reported by the House Foreign Affairs Committee, eliminates the 50–50 shipping clause from the shipment of agricultural commodities not only under that act but also under Public Law 480, the Surplus Agricultural Disposal Act.

I believe that if we permit the elimination of the 50–50 provision it will have a disastrous effect upon American shipping. I believe in a fair participation for Government generated cargoes as the most practical support for American ships. Both American agriculture and the American merchant marine are essential to a healthy American economy. They have a mutual interest in foreign trade-foreign aid-surplus disposal. I am satisfied that the 50–50 formula has worked out fairly to both sides of those interested in the present controversy. I find it very difficult to understand how the 50–50 formula has impeded the surplus agricultural program. About 70 percent of the 3-year authorization was committed in the first year, 14 nations having purchased $425 million worth of agricultural surplus.

Nor can I subscribe to the rumor that foreign nations will not purchase our agricultural surplus if 50–50 is applied, because this program is evidently well ahead of schedule. As a matter of fact, there are claims that the unavailability of American ships would slow down the program.

Cargo preference—50–50—does not increase the cost to the purchasing country. All transportation is paid for by the purchasing nation at not more than world market rates regardless of the flag of the carrier. Eighty percent of these cargoes will move on liners and can be transported on American ships at the same cost as on foreign flag vessels.

I strongly urge the adoption of this amendment not only in the national interest but also in the best interest of this mutual security program.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. RADWAN. I yield to the gentleman from New York.

Mr. BECKER. Mr. Chairman, I support the Bonner amendment. The American merchant marine is vital to both the economic and national defense of the United States. For many years, I have fought for a merchant marine that would be second to none in the world. During our past wars, without it, we would have been lost completely. At a time such as this when we are giving billions of taxpayers money away to foreign countries I can see no reason why at least 50 percent of the goods we are giving away should not be shipped in American ships. This not only keeps our ships active, but also keeps our merchant seamen busy and working and able to support themselves and their families. Ships that are used to store wheat and lying in the rivers in our country do little for our merchant seamen and do the ships little good.

This is one time where the Members of the House have an opportunity to express ourselves on behalf of the shipping industry and members of the merchant marine. Our American shipping industry has come to the fore in every war and done a magnificent job; this is the least we can do to help keep it going. I sincerely hope the Bonner amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, I realize that the merchant marine subsidy will roll over the House in a few minutes, but I hope that you merchant marine people next year will look back and consider something that can be done to dispose of these agricultural surpluses we have. You are helped by it. We want to use your seaports, we want to ship, but what you are doing here, and the evidence shows it, is helping us to pile up these surpluses at a cost of billions of dollars.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I have studied this thing, and I think I can present it to you in the time allotted to me. Our ship subsidy amounts to about $100 million a year. Every time we send American-flag goods in American bottoms it just cuts down the subsidy that amount. This program actually is going to save the American taxpayers money.

I am not going to take any more of your time. I am sure that the Committee here will sustain the point of sending American cargoes in American-flag bottoms.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I urge the adoption of the amendment offered by the gentleman from North Carolina [Mr. BONNER], the chairman of the Committee on Merchant Marine and Fisheries. He would strike from the bill under consideration, S. 2090, which amends and extends the Mutual Security Act, those two sections of it which, in effect, would repeal the Cargo Preference Act—the so-called 50–50 law. The Cargo Preference Act requires that American-flag vessels carry at least 50 percent of the cargoes generated under the Mutual Security Act.

Why are we considering the Mutual Security Act which authorizes the expenditure of hundreds of millions of dollars on behalf of our allies? It is to strengthen them morally, economically, and militarily. They are indispensable to us in the fight against the tenets of godless communism. We justify this vast expenditure on the grounds of national defense. Our own self-interest is the prime motive for our action.

Let me point out to you—and I know you will agree—that an adequate, modern merchant marine is an integral and indispensable element in the defense effort. It has been rightly called the fourth arm of our defense.

You and I know that the lack of shipping in two world wars delayed our maximum participation in them until it could be supplied. The lack of shipping prolonged both World Wars I and II with the attendant sacrifice of life and at great suffering not to say anything about the additional cost in dollars.

A great many statements have been made in support of the offensive provisions in the mutual security bill that cannot be supported in fact.

Someone has said that the Cargo Preference Act retards the shipment of American surplus farm products to our friends and allies.

This is a fiction.

If the cargo moves in the regular steamship trade, that is on the scheduled liners on established trade routes, it moves at a tariff fixed by an international conference. All lines make the same charges under like conditions.

If it moves in "tramp ships" it moves at the market rate at the time of charter. Severe competition determines this rate.

Someone has said that the Mutual Security Act is not to be construed as a subsidy for the American merchant marine. I agree but the maintenance of the American merchant marine as a fourth arm of our defense is as important as any other facet of it. Its maintenance bears a strong relation to defense just as does the Mutual Security Act.

What would happen if our friends across the seas were attacked and we did not have the ships and the facilities to support shipping to come to their aid? The Mutual Security Act should not be used to indirectly subsidize any section of our economy be it shipping or agriculture. If it can incidentally help either of them, I see no harm in it.

The Committee on Foreign Affairs wrote the two offensive sections into this bill without thoroughly examining the facts. No hearings were held on which to base judgment.

Now let us see what the Committee on Merchant Marine and Fisheries did.

The chairman, alert to the situation and in anticipation of the attempt that would be made to repeal the 50–50 law, caused hearings to be held early this year.

The committee explored the whole question. It had representatives of Foreign Operations Administration, Agriculture, and other agencies involved, including the Maritime Administration before it. It questioned them closely. It had representatives of the shipping lines both the regular and tramp.

Its hearings were comprehensive. It filed a report (No. 80, February 28, 1955) with the House.

It found that there was lack of cooperation and coordination among the agencies of the Government having to do with the shipping of mutual aid cargo.

It found that in some instances Government agencies were allowing representatives of foreign governments to arrange for the shipment of relief cargo.

It recommended that the executive agencies administering export and import programs should exchange information and plan their activities in the transportation field so as to effect a more economical operation and a more effective administration.

It urged the Maritime administrator to undertake to publish rates for the guidance of agencies arranging cargo shipments and in determining from time to time whether the United States flagships were available at fair and reasonable rates.

It made other important recommendations too lengthy to detail here but contained in the report.

In support of the Merchant Marine and Fisheries Committee findings, may I direct your attention to page 778 of the hearings on the present bill.

Here it is brought out that there is only $55,000 additional cost in shipping American in items involving an expenditure of $13 million.

Again, let me state that we have no positive information that there has been undue delay or excessive cost as a result of the Cargo Preference Act.

The Cargo Preference policy has been on the statute books for some time. It is not a new thing. This Congress has expressed its will on this subject on nine occasions.

You know the value of a merchant marine to our Nation.

You know that the Cargo Preference Act—the 50–50 law, has stimulated it.

You are all too cognizant of the fact that we cannot afford to lose the "know how" of the sea or to allow our shipbuilding and repair facilities to fall into decay. There is evidence before the Merchant Marine and Fisheries Committee that the 50–50 law stimulates it.

American shipping is in competition with foreign shipping at a disadvantage.

We must compete with cheaper labor and primitive living conditions at sea.

In order to keep the American Flag in a favorable position on the oceans of the world, and in our own self interest I urge the adoption of the amendment that will preserve the Cargo Preference Act.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, there is no question about the fact that this would be a serious blow to our merchant marine. There is no question in my humble judgment that if we stand up for some of our own enterprises and our own merchant marine, we will gain the respect of the countries throughout the world. Every time we give way to pressure from foreign interests, we lose their respect.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. This matter, as the chairman of the Committee on Merchant Marine and Fisheries pointed out, has been debated in this body time and time again. I believe we have established a policy that our own fleet, the American merchant marine, should carry 50 percent of our own Government cargoes. That is all that is really involved here—50 percent of the products that the Government is making available to other nations throughout the world. I do not believe that we could have any more generous proposition. Mr. Chairman, I support the Bonner amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I would also like to point out it is my understanding from testimony before the Committee on Merchant Marine and Fisheries that in any major military movement of cargo overseas, it requires a minimum of 1,700 vessels to do the job. The testimony further shows that there are only about 1,400 such vessels available at this time in the American merchant marine. That, in itself, I think, justifies continuing the full implementation of the Cargo Preference Act.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I hesitate to oppose the committee. I have supported them for the last 3 days, but I think on this particular occasion, I find it necessary to oppose them because, although I come from an agricultural district where surpluses are important, certainly it is important that we maintain our American merchant marine and keep the Amercan flag on the high seas throughout the world.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. To those who think this program may be leveling off, I want to call attention to the hearings on page 136 which show that the Committee on Foreign Affairs is organizing a group of

Members now to go to Ceylon to find out how much money that country wants.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, my support for foreign aid authorization has been strictly in the interest of the defense of our Nation. I consider that the American merchant marine is just as important to the defense of the Nation as foreign aid, and therefore I think the Bonner amendment should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Chairman, I am not only supporting the bill before the House at the present time, but I am also supporting the Bonner amendment. There is no question in my mind that if we are going to have an American merchant marine, it is essential that this amendment be adopted. Those of you who feel that this amendment should not be adopted, certainly are turning your backs on the American merchant marine and building up the foreign merchant marines in favor of our fourth arm of defense.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. PHILBIN].

MUTUAL AID BILL AT LEAST 50–50 FOR AMERICAN MERCHANT MARINE

Mr. PHILBIN. Mr. Chairman, failure of this mutual-aid legislation to provide that at least 50 percent of Government-generated foreign cargoes shall be carried in American vessels would sharply and unwisely reverse the policy this Congress has followed in this matter since 1948.

Only last year Congress directed that the 50–50 principle be applied to all agricultural surpluses financed directly or indirectly by United States public funds when moving in foreign maritime commerce. I cannot conceive of the reasons which prompted the committee to eliminate this clause in favor of American shipping.

There are some groups, I know, who follow and accept the extreme free-trade view that all American commerce should move in ships holding out the most favorable rates. In my opinion, such a policy is, not only unsound, but, if carried out, would be extremely harmful to the American merchant marine. Moreover, shipping rates are now largely uniform under international agreements.

On numerous occasions, I have made clear my unalterable view that American goods should move in world commerce, whenever possible, in American bottoms. There are many reasons for such a policy:

First, the national security dictates that we have a strong, prosperous, versatile, and convertible merchant marine.

Secondly, our merchant marine is an integral part of the American economy and, like every other part, it must be given encouragement and, when necessary, assistance.

Because of the peculiar urgency of shipping in wartime or emergency, subsidization of the merchant marine becomes necessary in such periods and, of course, there is also, in my opinion, complete justification for substantially subsidizing the merchant marine if this is necessary to make it what most Americans want it to be—a strong, vigorous, functional representative of our American business system.

It is well known that wages and operating costs of foreign vessels are much lower than our own since no foreign vessels maintain the high standards of pay, labor conditions, and operating efficiency as our own American ships. The elimination of the 50–50 provision means in effect that this Congress is disapproving these high standards and favoring the lower standards of foreign ships. I cannot subscribe to such a result. It would not have been unfair indeed, if we had provided that all United States Government shipping be carried in American ships. In enacting the 50–50 clause, I think that we were leaning over backwards to evidence our intention to assist foreign shipping. There can be no doubt that in doing so we are withdrawing substantial patronage from American shipping and this is indeed a curious result for an American Congress to reach.

Some claim has been made that the 50–50 policy has injured and obstructed our agricultural surplus disposal program, but careful study does not bear out this assertion since 70 percent of the 3-year authorization was committed in the first year and $425 million worth of our agricultural surplus was sold to 14 foreign nations in that period.

Neither do I believe that there is substance to the claim that foreign nations will not purchase the agriculture surplus if the 50–50 formula is applied. As pointed out above, that program is already well ahead of schedule and it is in essence so attractive to buyers throughout the world in that it affords such unprecedented bargains. Everything considered it will continue to bring reasonable foreign markets for these agricultural products.

All the evidence presented before the House Merchant Marine and Fisheries Committee appears to indicate that American shipping can adequately meet all the requirements of the program without undue delay. World market rates prevail regarding this transportation and, therefore, the 50–50 formula would not substantially increase the cost of the products to the purchasing countries. It is also true that 80 percent of these cargoes can move on liners and at the same cost on American ships as on foreign ships.

Moreover, there are some countries purchasing our surplus commodities that do not have sea transportation to carry their own purchases and neither do they have the exchange dollars to pay for ocean transportation. As to such cargoes, the transportation costs will have to be borne by our own government and that part is but 2.9 percent of the whole program to date.

Since about two-thirds of all foreign exchange currencies received by us to date, under the Agricultural Disposal Act, have been returned overseas for the account of foreign nations, these transactions stand on their own feet as partial grants-in-aid and cannot be regarded as regular commercial transactions.

I believe firmly that this great Nation should have a merchant marine commensurate with the importance of our economy in world trade and adequate for our security needs. In a real sense, the merchant marine is, not only a vital part of our economy, but virtually an indispensable arm of the national defense. We cannot afford to permit it to languish and wither. Congress must preserve and expand its strength, its vigor and its scope to meet all our needs—economic and military. In fact, we should proceed to implement a merchant marine policy and program designed for these purposes.

I will, therefore, support the 50–50 clause and all other measures looking toward the development and strengthening of our American merchant marine.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I yield back my time. Let anybody get it who can get it.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, I want to ask the gentleman from Texas [Mr. BURLESON] a question. The gentleman referred to the cancellation of a $31 million wheat order by Great Britain. I want to know, for my own information, whether that was a purchase or was it a grant?

Mr. BURLESON. It was under section 480 of the Agricultural Disposal Act. If I said "wheat," I meant to say "surplus farm commodities." It was not all wheat, because they buy some wheat from Canada.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, it is not a good time to change something that has become an accepted national policy by this indirect approach in a bill on another subject. You have heard the leaders of the Committee on Merchant Marine and Fisheries, which has given this matter careful study, explain how serious it might be to take this action.

I therefore urge that the Bonner amendment be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Chairman, just in case somebody is worried about our steamship lines being subsidized, I invite attention to the fact that all of the major merchant marines of the world are subsidized. This is a question whether you want us to spend part of our money on our own people or spend it all on some other subsidized merchant marine.

I support the Bonner amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, we have a very fine inland port in Stockton, Calif., which was built by the Army engineers and completed in 1933. We developed considerable traffic before the beginning of the Second

World War, at which time the port was taken over by the Army. Millions of tons of military cargo were shipped out of the port of Stockton.

When the port was turned back to the Stockton Port District it again began to develop cargo business. Provision was made for enlargement of the turning basin.

But soon it became apparent that the shipping going through the Golden Gate was declining in volume. Consequently we are doing our best to develop commercial trade, but are having great difficulty in doing so. It is for this reason that I am in favor of the Bonner amendment which would require that half of the shipments provided for in the Mutual Assistance Act to foreign countries should be carried in American vessels. This principle has been approved nine times by the Congress and we think it should again receive our complete support.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, it has been less than 15 years since our Nation learned a painful and costly lesson regarding the vital importance of a strong American merchant marine to the defense of our country.

We were almost brought to our knees in the early years of World War II by the Nazi submarine attacks on an inadequate merchant marine force. We learned the lesson then: that merchant vessels are an integral part of any effective defense effort that involves overseas action. As we spend billions for other phases of our defense effort, let us not forget this life-and-death lesson from World War II.

Let us support the Bonner amendment and keep our merchant marine strong, for the strength of the Nation.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I yield to the gentleman from Maryland [Mr. GARMATZ].

Mr. GARMATZ. Mr. Chairman, the mutual-security bill which has been reported out by the House Foreign Affairs Committee includes along with its many provisions for aiding friendly nations a drastic and unwarranted requirement which would seriously harm the American merchant marine and cause further joblessness among American seamen.

As a ranking member of the House Committee on Merchant Marine and Fisheries, I am unalterably opposed to this provision and I call upon the House to delete it from the bill. It carries to a ridiculous extreme an overly solicitous consideration for foreign shipping interests at the expense of our own merchant marine, which, as everyone here knows, has been having a very rugged time in keeping afloat at all.

We have expressed the will of Congress not once or a few times, but many, many times that we want to see our own American-flag ships receive at least 50 percent of the cargoes which represent American gifts, American aid, American help for other nations. Is that asking too much for our own hard-pressed merchant marine? Of course not.

We wrote that provision into all of the postwar-aid bills—the Economic Cooperation Act of 1948, and the subsequent Marshall plan bills, the Korean Aid Act, the Yugoslavia Emergency Relief Assistance Act of 1950, the India Emergency Food Aid Act of 1951, the Mutual Defense Assistance Act, the Mutual Security Act of 1951, the Pakistan wheat bill. We then wrote it into permanent law last year.

And we made it crystal clear, Mr. Chairman, that we meant it to apply not only to direct relief shipments, not only to direct military or defense-related or other types of shipments from the United States to these other countries we wanted to help, but that we meant it to apply, too, where we purchase or aid in the purchase of offshore supplies for friendly countries which are the beneficiaries of our military and economic assistance.

The provision to cover such transactions involving American aid shipments between foreign countries, even when there is payment in the currency of the beneficiary country, was expressly written into permanent law after a loophole had been found by some Government agencies not in sympathy with the needs of the American merchant marine. So we closed that loophole. The Attorney General has so advised the President, the loophole is closed.

Now the administration is in here in the name of mutual defense and with vigorous assistance from the Department of Agriculture to knock this whole provision out of the permanent law and thus allow these same agencies to go back to their old policies of favoring foreign shipping over American shipping in these offshore cargoes and in the shipment of surplus agricultural commodities.

The strategy of bringing in the Agriculture Department is most interesting. The idea is presented that unless this change is made, shipments of surplus agricultural commodities from the United States will be hampered. In other words, the implication is made that these foreign countries would not accept surplus foods on tremendously attractive if not entirely free terms, unless we pay these countries to haul the food in their own ships, and rule out the use of American ships for any portion of the shipments.

MARITIME ADMINISTRATION HAS TO READ ABOUT IT IN NEWSPAPERS

As a matter of fact, Mr. Chairman, a news story inspired by the administration was put out earlier this year to the effect that the administration's plan for selling farm surpluses abroad—at, remember, very, very attractive discount prices—was running into a bottleneck because of this ship-American provision of the law, "informed sources said."

The reporter who wrote the story was undoubtedly doing a good job of getting out an exclusive inside story. Every reporter likes to come across these hot inside pieces. My complaint is not with the reporter of the story, but rather with its inspired origin.

The charge was made in this leaked news tip, Mr. Chairman, that there were not enough American ships available to assure that 50 percent of the surplus food cargoes could go in American bottoms, but that in trying to get enough American shipping to comply with the law the Department of Agriculture ran the risk of having foreign ships then available get tied up in other contracts.

The interesting thing about this planted scare story, Mr. Chairman, intended to discredit the ship-American law, was that the Maritime Administrator had never even been approached by the Department of Agriculture to find out whether ships were in fact available or on what terms. The Maritime Administrator read about this supposed crisis in the newspapers.

Here is what the then Maritime Administrator, Mr. Louis S. Rothschild, testified to before our committee in relation to this matter:

> We were not advised by the Department of Agriculture of its problem respecting the prospective unavailability of United States flag vessels at fair and reasonable rates. However, we did read in the newspapers that there was such concern, and together with your chief counsel of this committee, Mr. Casey, and at his request, we met with him and representatives of the Department of Agriculture and had a rather lengthy discussion on the matter.

Subsequently, Mr. Chairman, Mr. Charles H. McGuire, Director of the National Shipping Authority, told our committee in reply to a direct question that:

> Addressing myself, Mr. Chairman and gentlemen of the committee, to the basic question of unavailability of American-flag tonnage, I personally know of no instance as yet where American-flag vessels have not been available.
>
> There have been instances cited to me where American-flag vessels have been offered at rates which the shipping agencies of Government believed to be too high for the purpose and were rejected for that reason. There may be some isolated instances of which I have no knowledge wherein American-flag vessels have not actually been available in respect to offers put out by Government agencies, but I do not know of any such instance. It is quite possible, dependent almost wholly upon the volume of economic and military aid, perhaps coupled with defense requirements in the immediate future, that there may be such a lack of availability of American-flag ships. It has not, within my knowledge, occurred to date.

That, Mr. Chairman, was earlier this year.

LAW ALLOWS FLEXIBILITY TO MEET EMERGENCIES

The whole uproar, Mr. Chairman, is based on a misconception of what the permanent 50–50 law actually requires. It does not require that 50 percent of all shipments, regardless of any and all factors or circumstances, must go in American bottoms. It requires only that the 50 percent preference must be observed "to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels, in such manner as will insure a fair and reasonable participation of United States-flag commercial vessels in such cargoes by geographic areas."

It further states that the provision may be waived by Congress by concurrent resolution or otherwise, or by the President or the Secretary of Defense

declaring that an emergency exists justifying a temporary waiver, and so on.

This would certainly prove that the existence of the 50–50 cargo preference requirement is no hardship to any agency of the American Government, or to the distribution of surplus foods abroad, unless there was a deliberate desire to sabotage this law.

Certainly we could give those surplus foods away at less cost if we were to send them all in foreign bottoms with starvation-wage seamen manning the ships, starvation wages compared to American-flag pay scales. And, I might add, we could give the same food away much more cheaply if we didn't support the prices of agricultural commodities. But no one suggests we punish the American farmer in order to give away American surplus food to foreign governments at lower cost to our Government; why punish the American seamen, then, in the same objective?

In the course of our hearings, Mr. Chairman, when it was pointed out that the British shipowners were complaining about this provision of American law intended to help American shipping. The gentleman from Washington [Mr. TOLLEFSON], ranking minority member of our committee, had an interesting comment. It was this:

The statements appearing in the British publications make me think of an old saying we have had in this country for a long time, "Don't look a gift horse in the mouth," which apparently they have not heard of over there. Since 1945, we have given Great Britain some $7 billion worth of relief. Now they are objecting to the way they are getting it.

LET'S NOT ABANDON AMERICAN SEAMEN

My own feeling, Mr. Chairman, is that the mutual security program is a very valuable activity of our Government and has, as the Foreign Affairs Committee points out in its report on this bill:

On every continent * * * begun to give us important foreign policy advantages. The reaction of the free peoples of the Far East to the blandishments of communism at Bandung; the final joining together of the United Kingdom, France, Germany, Italy, Belgium, Luxembourg, and the Netherlands for defense in the Western European Union; the determined elimination of communism by Guatemala with the united support of the other American Republics as well as the apparent reorientation of Soviet diplomacy, can all be cited as indications that the course on which the United States has embarked should not be abandoned.

I submit, Mr. Chairman, that the course which the committee says has been such a good one has included the 50–50 provision on mutual security cargoes. It also should not be abandoned. Let us not abandon the American merchant marine of the American seaman.

I am reminded in this instance of the bootblack who received a very fine tip for shining a gentleman's shoes, for which he was most grateful. The boy then asked to brush the customer's suit, and, of course, the patron stood still for that little extra service. But as the man turned to leave, the boy yelled for the police. He pointed to his posted list of separate charges and said the customer had failed to pay for the brushoff. The fact that he received $1 for the shoeshine did not count with him. He had not been paid for the brushing.

Mr. Chairman, in this matter, we have handed our allies and friendly nations many, many great favors in the form of economic assistance, and they have not had to "shine our shoes" in any way.

Now, apparently, some of them grumbled about this 50–50 cargo provision, because it also helps the American merchant shipping as well as their own ships.

They want us, in other words, to pay extra for brushoff, the brushoff of the American merchant marine, for its elimination from the seas.

Let us not fall for that kind of foolishness.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Chairman, I rise in support of the Bonner amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WILLIAMS].

Mr. WILLIAMS of New Jersey. Mr. Chairman, I am a member of the Committee on Foreign Affairs. I attended the hearings, but I heard no testimony that cargo was delayed because of the 50–50 provision. I do know that in the committee report of the Committee on Merchant Marine and Fisheries a finding was made that there was no delay because of the 50–50 provision.

Therefore I support the Bonner amendment. I regret that I depart from my committee, but it is a broadminded committee, and I know that my departure will not rock the boat.

The CHAIRMAN. The gentleman from New York [Mr. ZELENKO], is recognized.

Mr. ZELENKO. Mr. Chairman, I rise in support of the Bonner amendment. This amendment recognizes the necessity of preserving and encouraging the strength and rebuilding of the American merchant marine. It is in the interest of the American seaman and the American ship operator. It represents American security first and mutual security second.

The CHAIRMAN. The gentleman from New York [Mr. ANFUSO] is recognized.

Mr. ANFUSO. Mr. Chairman, I intend to vote for this bill. I am, however, disturbed about the committee amendment, because I think it will tend to put American people out of work. While I favor foreign relief, I do not favor it at the expense of the American people. I will therefore support the Bonner amendment.

The CHAIRMAN. The gentleman from Ohio [Mr. VORYS] is recognized.

Mr. VORYS. Mr. Chairman, the Foreign Affairs Committee wants to subsidize the merchant marine directly instead of indirectly through foreign aid funds.

We want surplus agricultural products to move all over the world if nations can come and get them. Our agricultural surplus is worse than our merchant marine surplus. It is just that simple.

This amendment should be defeated.

The CHAIRMAN. The gentleman from South Carolina is recognized to close the debate.

Mr. RICHARDS. Mr. Chairman, I yield my time to the distinguished gentleman from Texas, [Mr. BURLESON].

Mr. BURLESON. Mr. Chairman, as I said earlier, I fully realize the formidable opposition in this House from those under pressure from the shipbuilding industry; from the Maritime Service; and from the labor interests. At the same time this House should be reminded that we have in our possession capital goods which are just as much an asset to these United States as its dollars, and that is its surplus agricultural commodities. Why impair in any manner, the great possibilities in using these goods as a great part of our defense. Further answering the argument so forcefully advanced by the proponents of this amendment, let me say that from this day on it will seemingly be necessary to have a foreign aid program forever or we will have no United States merchant marine.

The CHAIRMAN. The time of the gentleman from Texas has expired; all time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. BONNER] to the committee amendment.

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 181, noes 51.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mrs. KELLY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. KELLY of New York: On page 16, after line 23, insert the following:

"(d) After section 508 insert the following and renumber subsequent sections accordingly:

"'SEC. 509. Limitation on assistance to Yugoslavia: No assistance shall be provided to Yugoslavia under this Act.'"

Mrs. KELLY of New York. Mr. Chairman, the amendment I am asking you to consider and to decide is crystal clear. The objective is to cut off all assistance to Yugoslavia by denying the authorization in this bill, and also to cut off further deliveries of past programs, including large military end items.

I could argue that I am not in accord, with the ideology of the Yugoslav regime who is denying to the Yugoslav peoples their natural rights as freemen. I am not arguing that point.

I could argue that I never believed Marshal Tito's break with the Cominform—Comintern was not irrevocable. Fundamentally I could continue arguing that he is with the East. His tolerance of the West is based upon opportunities and the exigencies of the moment. I am not arguing that point.

I will not discuss assisting the Yugoslav peoples. My record is positive and clear on that. I voted for aid to Yugoslavia when that country was faced with a famine as a result of a severe drought.

I base my argument on several facts. Marshal Tito has failed to live up to the agreements signed by him and the United States Government. Read the report of the committee, page 12; testimony before the committee disclosed that the Yugoslav Government has not been cooperative in carrying out the requirements of the Mutual Security Act. Inspection of the use of equipment has been denied.

The sections of the MSA act on conditions applicable to assistance are clear in sections 105, 141 and 142.

My second point for withdrawing aid is as follows: In the past the main reason for giving assistance to Yugoslavia was to guarantee that Yugoslavia remained independent and to build up a military defense against aggression by the U. S. S. R. One of the conditions for that, appearing on page 45, is as follows:

Equipment and materiels furnished under this chapter shall be made available solely to maintain internal security and legitimate self-defense of recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations.

These reasons do not apply at the moment. Marshal Tito has friends to the East, he has friends to the North, he has friends to the South and he has friends to the West.

At this point I wish to read from the text of the joint Soviet-Yugoslav declaration on future relations signed by Marshal Tito with the U. S. S. R. at Belgrade:

Compliance with the principle of mutual respect for, and noninterference in, internal affairs for whatever reason whether of an economic, political or ideological nature, because questions of internal organization, or difference in social systems and of different forms of socialist development, are solely the concern of the individual countries.

The accord was for the establishment of mutual confidence. Both sides agreed on a policy of noninterference in each other's affairs, for whatever reasons, whether of an economic, political or ideological nature, because questions of internal organization, or difference in social systems and of different forms of socialist development, are solely the concern of the individual countries.

Marshal Tito and the Soviet, in the same report, went on to agree that they have a mutual accord, not only on noninterference with each other's affairs, but they are firm in agreement on nonrecognition of military blocs, and I want to read that particular statement:

Condemnation of all aggression and of all attempts to subject other countries to political and economical domination.

The recognition that the policy of military blocs increases international tension, undermines confidence among nations and augments the danger of war. Both governments based their policy on the principles set forth in the charter of the United Nations and are in agreement that further efforts should be made to strengthen the role and the authority of the United Nations. This would, in particular, be confirmed by giving the People's Republic of China the representation to which it is entitled in the United Nations.

At this point I want to say that the basis of our military pact is unity among the western world. Since he has agreed that he is against this, I do not believe we should give him further aid. Therefore, many might consider my amendment drastic, but there is enough transferability in this bill to permit the President to give assistance to any nation when he believes it is in the interest of national defense.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. DORN of New York. Mr. Chairman, I ask unanimous consent that the gentlewoman from New York [Mrs. KELLY] may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. KELLY of New York. No longer is it necessary for self defense. He has friendly nations around him, and I do not believe that we should give aid in order to perpetuate a person whose principles are in opposition to ours when there is no longer fear of aggression on either side. Third, it is not necessary because of the mutual or collective efforts. Tito's independence prevents his joining a regional alliance, and I believe that my amendment should prevail.

Mr. DORN of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from New York.

Mr. DORN of New York. I wish to congratulate the gentlewoman on her remarks and join with her in them.

Mrs. KELLY or New York. I thank the gentleman.

Mr. RICHARDS. Mr. Chairman, I dislike to disagree with the gentlewoman from New York, who is a very able and conscientious member of our committee, but I think it would be a mistake to cut out aid to Yugoslavia.

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. FEIGHAN. I object, Mr. Chairman.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. FEIGHAN. Mr. Chairman, reserving the right to object, I have an amendment, and I would like to be advised if I might have at least 5 minutes. I will try not to use it all.

Mr. RICHARDS. I do not want to make a motion. We have got to move along here, but I hate to make a motion. I do not want to preclude anybody offering amendments.

May I ask the Chairman how many amendments are there to this section?

The CHAIRMAN. Two after this one.

Mr. RICHARDS. I will withdraw my request, Mr. Chairman.

I will say this, Mr. Chairman. Yugoslavia is at the crossroads. We do not like Tito; we do not like his Government particularly, and we do not like some other governments, but, so far as ground forces are concerned, they have the strongest army on the Continent of Europe.

I do not want to do anything that would drive him back into the arms of Soviet Russia. So far as Yugoslav communism is concerned, that is something else. I do not think he will ever dare to go back to Russia, but I do not want to do anything to force him in that direction.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, I want to take this opportunity to express the hope that this amendment is defeated. I think we all recognize that in any cooperative endeavor in which we may be engaged, we frequently find ourselves with people who are wholeheartedly with us and ready to do a great deal many more things than some others. However, wherever there is help to be had, we frequently avail ourselves of it even though we would wish at times that that help might go a little farther and be a little stronger.

Certainly, as far as Yugoslavia is concerned, there were demonstrated there at a recent occurrence of a certain visit certain manifestations that there have been good results in Yugoslavia. What occurred on that occasion was encouraging to many other nations who at the moment might not be regarded as friendly to us but who might find in what happened there something of a pattern which, if followed, would be helpful to us.

I think this is no time to terminate whatever operations we have in Yugoslavia.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I should like to ask the chairman of the committee, What have we ever exacted from Tito? Have we ever exacted anything on earth from him?

Mr. RICHARDS. We have not exacted anything from anybody.

Mr. COOLEY. What have we ever even been promised by Tito?

Mr. RICHARDS. I am not talking about any promises. I do not know that he would ever keep them. But we know that they have certain potentialities there that we want on our side.

Mr. COOLEY. The gentleman knows that he has not exacted anything from Tito, that he has not even been asked to promise us anything in exchange for what we have given him.

Mr. RICHARDS. I do not agree with the gentleman.

Mr. COOLEY. Mr. Chairman, I asked a fair question, and I should like to ask that question of any Member of this House who cares to answer; to tell me what we have ever exacted from Tito, to

tell me of any one promise that he has given us, of any one base or one right, even to fly a plane over his territory.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield to me?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. BLATNIK. I do hope that this amendment, which I believe was offered in all honesty and sincerity but which I think is not based on sound fact, is defeated. The question was asked by the gentleman from North Carolina [Mr. COOLEY], What have we ever exacted from Tito? I think that is rather self-evident. Militarily speaking, this is one of the most strategic areas where we have great stability. Here is an area where we spend relatively little in terms of economic and military aid, where we have almost no American military personnel, but where the posture of defense is in the best interests of the United States, where there is an element of stability which is in the best interests of the United States.

Mr. COOLEY. Stability of what?

Mr. BLATNIK. Stability in terms of the situation.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. RICHARDS] has expired.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I merely want to say, in answer to the gentleman from North Carolina [Mr. COOLEY] that we have a Mutual Security Agreement, under section 142 of this law, with Yugoslavia.

Mr. COOLEY. Has he committed a single soldier or a single plane or a single airport?

Mr. VORYS. Does the gentleman want me to answer his question or is he trying to answer me? I am just saying to the gentleman that we have a mutual security agreement with Yugoslavia. We do not have, as to any NATO country, or otherwise, actual advance commitments of forces. We have plans for commitments under certain circumstances. We heard in closed session from Ambassador Riddelberger and General Hains with reference to the compliance of Tito with our agreement. We have the same type of commitments that we have with other NATO countries.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. HAYS of Ohio. I am a little bit perplexed at what the gentleman has said about our having a Mutual Security Agreement with Tito. I did not realize that.

Mr. VORYS. We have a section 142 agreement under the Mutual Security Act with Tito. Under this law he would have to make such an agreement before he could get any military supplies.

Mr. HAYS of Ohio. If the gentleman would tell the House just what that involves, I think it might clarify it.

Mr. VORYS. I cannot take the time now, but it is in our committee report, section 142.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Indiana.

Mr. HALLECK. There is one case that might be slightly parallel to this, I think. When we had the first one of these bills before us, I believe it was during the 80th Congress, there was a move here to include Spain, and it carried in the House. There was a great hullabaloo raised about that. They said, "You cannot do that, that is the wrong place." So it was taken out, if my memory serves me correctly. But today we have bases in Spain, and I think it is generally agreed that probably we have there in this overall program support and assistance that could be very valuable to us.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Minnesota.

Mr. JUDD. With respect to the question of the gentleman from Ohio [Mr. HAYS], we have a mutual-defense agreement with every country which gets military aid from us. But we do not have a mutual-defense treaty with Yugoslavia as we have with NATO countries, with Korea, with Japan, with the Philippines, with Formosa, those are treaties that come into operation automatically if either party is attacked.

What we have with Yugoslavia is the same agreement that it will fulfill certain conditions in the use of military hardware which we furnish it under this program, as we have with every other country getting military aid.

Mr. VORYS. As to a treaty, Yugoslavia is party to a three-power treaty with Greece, Turkey, and Yugoslavia, which is an area treaty and is an actual mutual-security treaty.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the gentleman know that a mutual-security treaty such as the gentleman is talking about is entirely incompatible with the neutrality that Tito talks about? You cannot tell this House one thing he has agreed to do.

Mr. VORYS. I am not saying that everything that Tito does is very compatible with anything except his own interest.

Mr. COOLEY. We have an agreement. He is on the receiving end.

Mr. VORYS. I concur in many of the criticisms made of Tito, but I do not think we help ourselves when we cut Yugoslavia clear out of this bill.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I find myself in somewhat of an anomalous situation as far as Tito is concerned. I have no desire to add to the debate except to try to clear up some points. As far as having an agreement with Tito is concerned, we have a nebulous sort of an agreement. I do not want to violate any secrecy. I am not exactly sure what the report says, but I think I can say without any fear of contradiction it was brought out in the hearings that Tito had not exactly lived up to the agreement. It was further brought out in the hearings that we had some difficulty even finding out what was done with the aid that we sent to Tito. I therefore think it is not quite analogous to make the comparison with Spain because, as I think I pointed out before on this floor, it is possible in Spain not only to know what is going on with the money we are sending over there; it is possible to inspect the bases we are building. I visited them in April. Nobody put any obstacles in my way whatever. We flew over them, photographed them from the air, looked at them from the ground, and drove over them, did anything we wanted to do. If Tito is willing to let us do that with the aid we are sending to Yugoslavia, I might look upon this with a less jaundiced eye.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from North Carolina.

Mr. COOLEY. Will the gentleman agree that one of the conditions of eligibility under section 142 is that our military representatives in the recipient governments have the right of inspection of these military items?

Mr. HAYS of Ohio. That is true.

Mr. COOLEY. Is it not true that the military representatives of the Yugoslav Government have not been cooperative in this respect?

Mr. HAYS of Ohio. That is also true.

Mr. COOLEY. Does the gentleman from Ohio therefore regard that as a violation of section 142 on the part of the Yugoslav Government?

Mr. HAYS of Ohio. I certainly do.

Mr. DONOVAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from New York.

Mr. DONOVAN. I will say to the other gentleman from Ohio that what he said is not only true but every single military man that appeared before our committee, and there were not many, agreed that there were outstanding instances where the Yugoslav Government did not cooperate but that there were many places where we could not go. What the gentleman from Ohio [Mr. VORYS] said about a Balkan collateral treaty has nothing whatsoever to do with this situation with reference to Yugoslavia.

Mr. HAYS of Ohio. I want to address myself to that point. There was a great deal made of that in committee. I asked this question and I received an affirmative answer. I said, "Is it not true that the treaty between Yugoslavia, Greece, and Turkey simply says this: 'That in case one of the three is attacked, the other two will consult with them about it?'" That is what it says and nothing more than that. It does not obligate anybody to come to anybody's defense. It does not tie anybody down or anything, it just says that in case of aggression, there will be consultation.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. JUDD. On this point about Yugoslavia not cooperating fully, there was some testimony to that effect. But were not two other points made? Was it not testimony given that in the last year the cooperation had greatly improved; is that not true?

Mr. HAYS of Ohio. I believe that is true. That the testimony was that it had improved, but I do not know whether

they said greatly or not, but they did say it was better.

Mr. JUDD. Secondly, was it not the impression of the committee that our own representatives from the beginning of this program have not been as firm and diligent as they ought to have been in insisting on the provisions of the agreement? Personally, I think we have been as much at fault as Tito. Some seem to have been so afraid that he would walk away from us that they did not make him cooperate in order to get our military aid. But where else could he have gone? To have gone back to Stalin at that time would have been to lose his head. We should have insisted, and some of us have urged it each year, that he keep in good faith the agreements that he had voluntarily entered into, just like every other country.

Mr. HAYS of Ohio. I do not have much time left, but I would just like to answer that question and say that I am in general agreement with that, and the gentleman will recall that I said that if the Subcommittee on Europe of the Committee on Foreign Affairs goes over there this year, I intend to find out whether we can make those inspections personally. I am not going to take the word of any military man. I do believe they have not been as tough with them as they could have been, and I do not know whether they will be tough enough if we give them aid this time or not. That is what worries me.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. COOLEY. Is the gentleman talking about visiting Yugoslavia?

Mr. HAYS of Ohio. I have been there once before, and I might risk it again.

Mr. COOLEY. I do not think you will have any trouble perhaps in visiting Yugoslavia, but I would like to ask the gentleman or ask anyone else here who thinks he can answer the question, Has Tito agreed to the terms and conditions stipulated in section 142?

Mr. HAYS of Ohio. He has agreed to them, but he has not lived up to them.

Mr. COOLEY. All right, then here is what this says—"And defense strength of the free world." He is not contributing to the strength of the free world. He is a neutral.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BENTLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not going to take the full 5 minutes, but I want, first of all, to commend my distinguished colleague, the gentlewoman from New York, the author of the amendment, for having offered this amendment and to say I heartily support her and hope the amendment is passed. I would like to ask the gentlewoman this question. In the past day or two we have heard a lot of talk about the necessity for passing this mutual security legislation for the purpose of keeping the free countries free. I would like to ask the gentlewoman from New York if she thinks by passing this legislation, and by giving Tito the amount of money provided in this legislation, if she thinks that action will help to make the people of Yugoslavia free. I think the people of Yugoslavia in this debate over Tito represent an element that has been completely forgotten. I would like to have the gentlewoman's answer to that inquiry?

Mrs. KELLY of New York. I would like to be able to answer it. I hope that we will find out after a very short time on which side he is alined as a result of the action we are taking now. I do not think it will be long before he soon lets us know. I would like to know at that time and I believe that in any action that Tito takes, the people of Yugoslavia will not be with him.

Mr. BENTLEY. Do you think the people of Yugoslavia are free under Tito at this moment?

Mrs. KELLY of New York. The people of Yugoslavia are not free under Tito at this time.

Mr. BENTLEY. Do you think sending Tito the money contemplated in this bill will help free them or make them more free?

Mrs. KELLY of New York. No; I think it will perpetuate Tito's regime to the point where it strengthens communism in that country. But I do not want to argue that point. I want to argue the point that he is not living up to the agreement.

Mr. BENTLEY. That point has already been brought out.

Mrs. KELLY of New York. That is the point I think we ought to discuss today.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I will be glad to yield to the gentleman from North Carolina.

Mr. COOLEY. I just want to observe one thing and that is whether or not Tito is neutral in this controversy, or whether he is allied with the free world; and if he has allied himself with the free world can any member of the committee present documentary evidence or reference to documentary evidence to show that he has agreed to anything on earth except to take this money, strengthen his own armed forces and continue his might and power over the people of his country? That is the question.

Mr. BENTLEY. I would like to tell my friend from North Carolina this: Tito has agreed with Greece and Turkey that in case of an attack on any 1 of the 3 they would consult. Tito himself says he is not neutral; he says he is independent. To my way of thinking he had a hand out in both places, both Washington and Moscow.

Mr. COOLEY. That is right.

Mr. BENTLEY. We now see him after this incident at Belgrade accepting an invitation to Moscow. He will go and have his hand out there. I do not regard Tito as anything other than an opportunist trying to get as much of the can from both sides.

Mr. COOLEY. And is not this visit to Moscow timed just right so that about the time he reaches there he will receive this money as a gift from the American people?

Mr. BENTLEY. I would say that the timing would be exact.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from California.

Mr. McDONOUGH. Is there any other country in this bill that has received aid from the United States that is as completely identified with communism as Yugoslavia?

Mr. BENTLEY. None whatsoever.

Mr. McDONOUGH. And is not Yugoslavia by its own admission a Communist nation?

Mr. BENTLEY. Completely. As a matter of fact, Tito says he is a better Communist than the men in the Kremlin.

Mr. McDONOUGH. And in this bill we defeated the amendment that would have prevented colonialism yet we recognize this Communist nation.

Mr. BENTLEY. Quite.

Mr. McDONOUGH. We are supporting Moscow by supporting this man.

Mr. BENTLEY. Right.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Minnesota.

Mr. JUDD. As the gentleman has said, Tito claims he is independent. If we cut off this aid today, where does the gentleman think he would go?

Mr. BENTLEY. I think the answer to that was given a short time ago, I believe, by the chairman of the committee who said Tito would not dare to go over to Moscow.

Mr. JUDD. But does the gentleman think he could maintain his independence without assistance from us?

Mr. BENTLEY. I think he could maintain his independence. I would like to remind my friend from Minnesota of one thing I think he said during a discussion of this matter in the committee. I think he said it is a genius for self-deception on our part to build up people who do not believe in our system but the very opposite.

Mr. JUDD. The gentleman is correct in that quotation. I do not deny the great risk involved. But at this stage of affairs, to cut off all aid would, I fear, have even greater risk. We should have no illusions regarding the dangers either way.

I would not put the chances of success as much more than about 51 percent. But that is better than 49 percent.

Mr. DODD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to make my own position clear with respect to the amendment which has been offered by my colleague the gentlewoman from New York. I have great respect and admiration for her. She is very able. I want to be frank with her. I think that Yugoslavia is probably the weakest link in this whole mutual-assistance program. I think it is particularly difficult to do business with Tito. I am going to vote against the gentlewoman's amendment, but on the basis of a calculated risk in the interest of the United States. I do not think there is any other basis upon which this thing can be predicated. It is as the distinguished gentleman from Indiana [Mr. HALLECK] suggested with reference to the policy about Spain, it looked like a good gamble and it worked out all right; so in this instance I am willing to take a chance in the interest of the United States, at least for another

year. I think that is the only thing we can do under the circumstances.

There is only one basis for doing anything for Yugoslavia and that is our own self-interest. This is the basis for the calculated risk which our military men say we should take.

There is no principle in this, do not fool yourselves about that. We are strictly expedient, strictly selfish. It is a most regretable thing, but nevertheless in this world in which we are living today there is nothing else we can do.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman our distinguished chairman from South Carolina.

Mr. RICHARDS. Is it not a fact that every military man who came before the committee said this is the thing that we should do?

Mr. DODD. Yes, that is correct.

Mr. RICHARDS. Is it not a fact, further, that of all the satellite nations that have been held under Russian domination, Yugoslavia is the only one that has withdrawn?

Mr. DODD. That is true.

Mr. RICHARDS. That is important.

Mr. DODD. That is right, but I want to make clear that I am not completely sold on that withdrawal business and I do not think the chairman is, either. It would not surprise me tomorrow if Franco turned away from us, or Tito or any of the others. We have had one example of this in Peron. These dictators are all alike. It makes little difference where they stand, on the right or on the left. They can be dealt with only at arms' length and the only excuse for dealing with them at all is our own safety and security. Essentially if it is to their interest to turn on us they will do so. We will have to deal with them the same way and be practical and cynical about it. I ask that this amendment be voted down.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close now.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. RICHARDS. Mr. Chairman, I move that all debate on the pending amendment close now.

Mr. O'KONSKI. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. O'KONSKI moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. O'KONSKI. Mr. Chairman, it is a tragedy that one has to take a page from the book of Tito and steal what we cannot get otherwise. There can be not enough said against giving aid to Marshal Tito. More can be said against the extent to which it has gone.

Now, with reference to this poppycock that we must be secret; or we cannot give out any security secrets about Tito, or that aid to Tito is classified. This trying to keep from the people of America the extent of aid to Marshal Tito to me is laughable and nauseating because certainly the Kremlin knows every detail of our aid to Tito. If one were to call Tass today, you would find out how much money there is in this bill for Tito to the last penny. But to the American people who pay the bill—aid to Tito is secret.

Mr. Chairman, if the Members of the House knew the exact number of dollars in this bill for Tito and what it will do for him, in what category it will put him as far as airpower is concerned among the nations of the world, you would support this amendment. Do not get the idea that there are only $42 million for Tito in here, because that is just pure subterfuge.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I have opposed strongly the giving of these jet planes of most recent model to Tito.

Mr. O'KONSKI. I know the gentleman has.

Mr. Chairman, did you know that there is close to $300 million worth of aid to Marshal Tito in this bill? Nobody, yes, nobody—the military, President, Secretary of State, or anyone else—can guarantee that he will be on our side or that we have any advantage in this so-called calculated risk. But get this—when the pipeline is finished this big question mark Tito will be the No. 5 air power in the world, next only to the United States of America, Great Britain, Russia, and Canada.

You talk about a calculated risk? That is the only leg upon which the proponents of Tito have to stand. This is the calculated risk they are asking you to take. Tito will be the fifth largest air power in the world when we get through with this program and this bill. If Tito should go the other way and join the Communists—Russia—our air power is licked because the balance of power will be with the Russians and the Kremlin. We are building up here a calculated risk which if it goes against us, and there is no guarantee that it will not, we are outnumbered. The people who are guiding the policy of this Nation know it because they are already practicing running to their hideouts because they do not know what Tito will do. But they have no hideouts for Members of Congress when the bombs start dropping. And when they come, remember, you asked for it.

Let me tell you something. I never thought I would see the day when the Congress of the United States of America would appropriate a billion dollars to a murderer, a gangster and a thief. That is what we have given Tito. That is more than it has cost us to support the farm program in the United States of America for the past 2 years. One billion dollars we have given him, this murderer, gangster and thief. And, I never thought I would see the day when the Congress of the United States of America would give a billion dollars to an international gangster, a murderer and a thief.

Let me tell you something, my friends. We think Hitler was bad. He murdered 250,000 Serbian people. You think that is bad. To get into power where Tito is today, he murdered in cold blood more than 500,000 of his own people. He killed twice as many Yugoslav people as Hitler killed with his hordes, and that is the kind of man we are putting our faith and trust in. In 1946 he shot down 5 American fliers. They were shot down at his orders, and buried them in a mass grave like dogs, without a coffin or even without a rag over their faces, as was evidenced when their bodies were dug up. Sure he paid damages, but we gave him the money with which to pay. This is the same murderer we gave a billion dollars to.

Now I will ask you this, my friends: Are you willing that this big question mark shall be the fifth largest air power in the world 2 years from now or 1 year from now? Are you willing to take that risk? Are you willing to take that calculated risk? As for me, I am not. Let me tell you, I would rather appropriate a billion dollars to the devil and try to keep him on our side than murderer Joseph Bros Tito. We took a calculated risk on Stalin to the tune of $13 billion. We lost. We took a calculated risk on Mao to the tune of $2 billion. We lost. We took a calculated risk on Ho Chi Min to the tune of a billion dollars. We lost. When will our leaders learn? To make Tito the power in Europe is the dumbest of all calculated risks. We shall pay heavily in lives for this stupidity on the part of our leadership.

Mr. MARTIN. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I am sorry that we are going to vote on this very important measure in passion. Up in New England, where I come from, they used to tell us those whom the gods wished to destroy they first make mad. I am not mad today. I am trying to be realistic. I have no defense for Tito. I hate him and I hate his ideology with all my heart. But, I am rising in defense of the U. S. A. That is for whom I am speaking for tonight, the people of America. Are we going to win this fight for freedom, or are we going to play into the hands of those who would destroy America? It may be true—and I hope it is not—that we are giving the latest instruments of war to Yugoslavia. To make the record clear, let us not forget the fact that when we first started to give these weapons of war to Yugoslavia we were mighty glad to have Yugoslavia's armies standing over there in Europe. They gave us time in which we might muster other allies and become strong ourselves. We took advantage of his being lined up on our side so that we are now able to defend this precious freedom of ours. While I have no defense for Tito, he did help us in those early days. Now we have reached the point where we can win a victory in this cold war. Russia is full of discontent. The Soviet is unable to stand the test of feverish building of armaments. I ask you Members of the Committee, do we want by our vote to throw Tito into the hands of Russia and thus for certainty lose the second largest army in all Europe? I am not going to take that responsibility. There are those who may, but I will not.

Now I remind you we do not have to give Tito this money if the President of

the United States and those in charge of our defense decide that it is not the right thing to do. They can, and I believe they will, turn him down, if they reach the conclusion that he is no longer an asset on the side of the free world.

My plea here is let us not legislate in passion. Let us not do in a hysterical moment something we may live to regret.

I ask for the defeat of the amendment offered by my good friend the gentlewoman from New York [Mrs. KELLY].

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from South Carolina.

Mr. RICHARDS. I should like to say, with the consent of the distinguished minority leader, that the gentleman from Wisconsin [Mr. O'KONSKI] suggested that there was $300 million in this bill for Tito. In addition to the military authorization, which is classified information, there is only $41 million earmarked in this bill for Tito.

Mr. MARTIN. And there is no necessity for spending a dollar of it if the President of the United States, in whom we have confidence and trust, decides we should not do so.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to our distinguished Speaker.

Mr. RAYBURN. I just want to say that I endorse every word that has been said by my distinguished colleague, the gentleman from Massachusetts [Mr. MARTIN]. I think this would be a dangerous thing to do, and I do not believe this committee will do it.

Mr. SIEMINSKI. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from New Jersey.

Mr. SIEMINSKI. I congratulate the gentleman from Massachusetts [Mr. MARTIN] and the gentleman from Texas [Mr. RAYBURN] on and endorse their statements. I shall oppose the motion and ask the House to consider, if it will, two factors. First, I sincerely put before the House the fact that it is quite possible that the people of Yugoslavia have not forgotten the axis spoilage of World War II and that tonight they are more afraid of a renaissance of axis arrogance than they are of Russia. Let this House not think that if Germany or Russia moves without law or morality on their side, that the people of Yugoslavia, of Poland, and of Central Europe, from the Baltic to the Adriatic, as Christian as they are—will not fight with the wounds of the past opened up to spur them to independence, be it from an aggressive Germany, of a cruel Russia or both.

So today, I say, vote this aid, put faith in the broad base of freedom and the fighting heart of the people of Yugoslavia. If the people of Yugoslavia seem not firmly committed to the East or to the West, perhaps they wait to see how Germany will behave as a new member of the West, and how Russia will behave since the liquidation of Stalin and Beria and how it will followup at Geneva the overtures it recently made at San Francisco on the 10th anniversary of the founding of the United Nations.

Talk is made of loose committments; that Yugoslavia, Greece, and Turkey agree to talk it over before acting if either of the three is attacked. This point has been raised as an example of Yugoslavia's foxiness. This in spite of it being a spearhead pointed at the soft underbelly of Europe able to blunt a drang nach oesten or a thrust at the Atlantic.

Are we so sure that the Atlantic powers, the NATO members, would not first consult before coming to our direct defense should the United States be attacked? Does this not safeguard all from being triggered into war by provocative acts like Sarajevo?

The second point I should like to raise in support of the stand taken by the gentleman from Massachusetts [Mr. MARTIN] and the gentleman from Texas [Mr. RAYBURN] in defeat of the amendment but in support of the bill is that the cost of this bill must be measured, it seems to me, against our mission: To keep those who have hurt us in the past from doing so again, to keep them from each other's throat and ours as well; to keep Japan and China in peace; to keep Japan and Russia in peace; to keep Germany and Russia in peace; to keep Germany and France in peace; to keep Germany and England in peace; to keep Italy and France in peace; to keep each in peace with us, and in so doing, withdraw cruelty and torture from the world.

To do it, with new techniques and new irons in the fire, this bill should be given the test of time, at least until 1966 when, according to history, the next war might start.

By then, from today, we will have spent $38.5 billion on this program.

Should we, by this help, prevent the outbreak of war in 1966, would we regret the $38.5 billion as against the $440 billion spent in World War II?

I think not. The amendment should be defeated and the bill passed.

Mr. MARTIN. Mr. Chairman, I ask you to vote for the United States of America; and do not throw for a certainty the second largest army in Europe into the lap of Russia.

The CHAIRMAN. The question is on the preferential motion.

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Mrs. KELLY].

The question was taken; and on a division (demanded by Mrs. KELLY of New York), there were—ayes 52, noes 162.

So the amendment was rejected.

Mr. FEIGHAN. Mr. Chairman, I offer an amendment.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. FEIGHAN. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on section 9 and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN: On page 17, after line 11, insert the following paragraph:

"(d) At the end of such Chapter I, insert a new section as follows:

"'SEC. 515. No loan or assistance shall be made or given to Yugoslavia under this act, until the Committee on Foreign Affairs of the House of Representatives completes an on-the-spot investigation of all the military installations, depots, roads, and railroads in Yugoslavia, and certifies to the Clerk of the House that continued assistance to Yugoslavio is in the security interest of the United States.'"

Mr. FEIGHAN. Mr. Chairman, the very able and distinguished member of the Committee on Foreign Affairs of the House, the gentleman from Connecticut [Mr. MORANO] had prepared an amendment which would stop any further aid to Yugoslavia until a further finding and determination was made by the President that such aid is in the national interest and reported to the Congress. The distinguished gentleman has seen my amendment and is going to support it, and therefore is not introducing his amendment.

Mr. Chairman, in the first instance, I agree completely with the distinguished minority leader that we should not legislate in any degree of passion. However, we do not want to face the issue of aid to Tito wearing rose-colored glasses or with our heads comfortably tucked in the sand. Of course, we must look at the situation and face the facts of reality. One may say that Tito has the legal right to accept our assistance and to do as he pleases to enhance his own position—as some do say. Of course, I disagree. I will not even take up the question of Tito's moral right to do with our assistance as he pleases, because any Communist anywhere, a. any time, never recognizes morality in either personal, national, or international affairs. However, we as Members of the Congress should view our responsibility in the light of both legality and morality.

In the first instance, under the Mutual Security Act, nations and dictators who are the beneficiaries of our grants, should be legally obligated to permit complete and thorough investigation, by the United States representatives, of the uses to which our assistance has been put.

It is uncontroverted, as set forth in the report by the Committee on Foreign Affairs on page 12, that Tito has forbidden representatives of the United States to thoroughly inspect the utilization of the assistance already given under the terms of this act. The terms of the act should require that the American representatives shall have the unqualified right to make complete inspection. My amendment merely provides that the Committee on Foreign Affairs of the House make a complete inspection in accordance with the terms of the agreement by which Tito has accepted our assistance.

If Tito is an ally of the United States in any sense of the word, he would welcome such complete and continuous inspection by United States representatives.

One way to put him to the test would be to require his adherence to the pro-

visions of the Mutual Security Act, absolutely requiring complete and continuous inspection over the use of all economic and military assistance programs made possible, in any part, by United States assistance.

In my considered judgment, Tito has never broken with his Russian-Communist friends. We now have no assurance against the possibility of our aid going behind the Iron Curtain to Albania, Rumania, Hungary, Bulgaria, or to Moscow itself, or even to any of the non-Russian nations within the U. S. S. R.

In my opinion, the Yugoslavs will not fight on the side of the West, the free world. They will do one of two things in the event of conflict between Communist Russia and the free world of the West. First, they will revolt against the tyranny of Tito, or they will fight against the free world—with Russian machine guns stuck in their backs.

My amendment simply requires that the House Committee on Foreign Affairs, either in whole or by a subcommittee, together with an adequate staff of competent investigators, make an on-the-spot inspection of how Tito has used all forms of assistance which we have given to him.

Such an inspection would cover all military bases, installations, roads, and railroads in Yugoslavia. It further provides that if the Committee on Foreign Affairs makes a favorable report to the Clerk of the House, assistance may be continued to Tito.

It also provides that after the inspection by the Committee on Foreign Affairs, if their report is not favorable, assistance to Tito shall be cut off.

I ask you—what in the interests of the taxpayers of this country and in the successful advancement of the aims of the Mutual Security Act, could be fairer?

I should like to emphasize that it is my desire to do everything possible to make easy the way of our Secretary of State in his difficult task of building a free world alliance of the type which can bring about the ultimate defeat of the international Communist conspiracy.

Therefore, rather than offering an amendment barring any aid to Tito as I did in 1954, I have proposed this amendment which will permit Yugoslavia to receive assistance from us if the on-the-spot inspection carried out by the House Committee on Foreign Affairs reveals that the giving of such assistance supports the national security, welfare and well-being of the American people.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is practically the same as one we defeated a little bit ago. The gentleman wants the Foreign Affairs Committee to take a trip over there. I imagine it would be very interesting and I am sure we could develop some significant information.

The Foreign Affairs Committee has recommended through this bill that we think it would be in the interest of the security of the United States to provide this limited aid to Yugoslavia. It is only officially and publicly a $41 million program. There will be more for the military. I am opposed to the amendment.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. FEIGHAN. I want to make this very important distinction, that the amendment introduced by the gentlewoman from New York read out entirely any aid; my amendment provides that the Committee on Foreign Affairs go to Yugoslavia and make an on-the-spot investigation. Then we would have a proper and valid investigation of the utilization of our assistance. If the report is favorable aid will be given to Tito. I have utmost confidence in the chairman of the Foreign Affairs Committee and in the members of his committee, and I would be satisfied with their report.

Mr. RICHARDS. I appreciate the gentleman's position and the confidence he has in us. I have the utmost confidence in his good intentions, but I just want to say to you that while the military people said we were not getting 100-percent cooperation from Yugoslavia, yet they said that the cooperation was getting better every day, and that by insistence they believed we would get 100-percent cooperation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. FEIGHAN].

The question was taken, and on a division (demanded by Mr. FEIGHAN) there were—ayes 7, noes 92.

So the amendment was rejected.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 16, after line 14, insert the following:

"(2) Amend section 505 (a) by inserting before the period at the end thereof the following: 'And shall emphasize loans rather than grants wherever possible'."

And on page 16, line 15, change "(2)" to "(3)."

Mr. VORYS. Mr. Chairman, the committee has accepted similar amendments covering $382 million in this bill. This would reach the rest of the bill in defense support which is $1,022,000,000.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. RICHARDS. This amendment is in line with an amendment that was offered to another section, as I understand. It is permissive in terms, the decision to rest with the President with regard to loans. The discretion being given, and it being in line with other amendments, I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment was agreed to.

The Clerk read as follows:

SEC. 10. Title V, chapter 2, of the Mutual Security Act of 1954, which relates to organization and administration, is amended as follows:

(a) In section 524 (a), amend subparagraph (3) to read as follows:

"(3) the supervision of end-item use by the recipient countries;".

(b) In the second sentence of section 525, which relates to the Foreign Operations Administration, after "Foreign Operations Administration" insert "(including any function, office or entity thereof transferred to any other agency)"; and insert, before the period at the end of said second sentence, the following: ": *Provided*, That such authority conferred by this sentence shall be exercised in accordance with applicable laws and regulations relating to the Civil Service and Veterans' Preference."

(c) Add at the end of section 526, which relates to missions and staffs abroad, the following new sentence: "If a Foreign Service Officer shall be appointed by the President to a position under this section, the period of his service in such capacity shall be considered as constituting an assignment for duty within the meaning of section 571 of the Foreign Service Act of 1946, as amended, and such person shall not, by virtue of his acceptance of such an assignment, lose his status as a Foreign Service officer."

(d) In section 530 (a), which relates to experts and consultants or organizations thereof, insert "or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher," after "at a rate not to exceed $10."

(e) In section 534, which relates to reports, strike out "sections 504 and 413 (b)" in the last sentence and insert "sections 504, 413 (b), and 418."

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio. On page 17, line 24, strike out beginning with word *"Provided"* through the word "Preference" and insert in lieu thereof *"Provided, however*, That until January 1, 1956, notwithstanding the provisions of any other law, the employment of not to exceed 200 persons at rates of basic compensation in excess of the maximum scheduled rate of GS-9 of the Classification Act of 1949, as amended, transferred from the Foreign Operations Administration to any other agency pursuant to Executive order may be terminated, but this authority shall not be applicable to any person entitled to veterans' preference for Federal Government employment, nor shall this authority be exercised to discriminate against any such person on account of political affiliation."

Mr. VORYS. Mr. Chairman, this is the so-called Capehart amendment on personnel, a compromise amendment on personnel, which was offered in the Senate and defeated by a vote of 40 to 40, a straight party vote, while the Vice President was out making a speech.

We have gone along with a very bipartisan approach on this bill, but when it comes to the matter of personnel then the thing gets a new look. In the previous bills on mutual security, the Marshall plan, European recovery plan, we always gave an administrator of the plan some latitude to pick his help and to choose people without regard to all of the technicalities of the civil service. A lot of people who have gotten in that way are now under the civil service.

Something new has been added to this program today. It moves into the State Department and it will be under the Honorable John B. Hollister, of Cincinnati, who will be director.

May I say that the administration request was far broader than this amendment, but this restricts the director to merely 200 in those above GS-9 whose employment can be terminated without regard to all of the bumping rights and the rest of it under the civil service, although the amendment I have

proposed provides veterans' preference for all employees. And I inserted the following words at the end which were not in the Capehart amendment, in order to make it clear that FOA under the State Department, or any other Department, is not to be a political haven for either Democrats or Republicans. The last phrase which I have added to the Capehart amendment, which lost on a 40 to 40 vote in the other body, is as follows: "nor shall this authority be exercised to discriminate against any such person on account of political affiliation."

It seems to me when we put a new man in charge of this organization under the State Department, we ought to give him a little elbow room to choose his own help.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Missouri.

Mr. SHORT. In 1952 we voted for a change. I would like the gentleman to tell me how we can change a postmaster or a rural carrier?

Mr. VORYS. As a matter of fact, I am in the process of making a change in the case of a postmaster at home right now.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. The gentleman does not think that our fellow citizen, geographically that is, Mr. Hollister, will fire the Republicans, does he?

Mr. VORYS. I do not know. I understand that he plans to demand competence from all employees and not play politics.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Your amendment provides for a reduction in force of 200 to be replaced by 200 other people; is that not right?

Mr. VORYS. No; it does not provide for a reduction in force. Remember for Korea, Formosa, and Indochina there is about a billion dollars involved, and the matter was presented to us that due to the growth of the Asian program probably more personnel will be needed in the coming year than in the past year. There is $2 million more for personnel in this bill we are considering than there was in a similar bill last year.

Mr. ZABLOCKI. May I restate my question? Your amendment proposes to permit the removal of 200 and then to have the 200 replaced by other personnel?

Mr. VORYS. We cannot guarantee that a reduction of 200 can be made by January 1.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New York.

Mr. CELLER. In essence and in all truth, does not your argument boil down to the fact that you want 200 deserving Republicans to get jobs?

Mr. VORYS. No, it does not. And, as I say, the first steps taken would make it quite clear, I think, that this is not being done at the present time. This is an administration request that involves personnel. Protection against discrimination on account of political affiliation is written in, and we are going to see how much administration support we can get for this new director and for this Department from both sides of the aisle.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we had better leave the opportunity for playing even a little politics out of this bill. I am not sure that there will be politics in it, because I know that Mr. Hollister is a pretty good man. What he knows about the administration of a large agency like this remains to be seen. But, I think that anybody he fires under this program should be fired under existing law and the regular civil-service regulations. I believe we can agree which way the amendment would have gone had the Vice President been on hand in the Senate to break that tie. I think we have enough Democrats here today so that there will be no question and therefore I am constrained to disagree with my friend.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Missouri.

Mr. SHORT. I understand a good Republican from my district is scheduled to be fired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. VORYS), there were—ayes 108, noes 136.

So the amendment was rejected.

The Clerk read as follows:

SEC. 11. Title V, chapter 3, of the Mutual Security Act of 1954, which relates to repeal and miscellaneous provisions, is amended by adding after section 547, the following new sections:

"SEC. 548. Unexpended balances: Unexpended balances of funds heretofore made available under authority of this act are hereby authorized to be continued available for the general purposes for which appropriated, and may be consolidated with appropriations made available beginning in fiscal year 1956 for the same general purposes under the authority of this act: *Provided, however,* That unexpended balances in excess of $200,000,000 not obligated by June 30, 1955, in accordance with the provisions of section 1311 of the Supplemental Appropriation Act, 1955 (Public Law 663, 83d Cong.), or reserved in accordance with the provisions of section 110 of the Mutual Security Appropriation Act, 1955 (Public Law 778, 83d Cong.), are not authorized to be continued available after such date.

"SEC. 549. Statement of congressional policy: It is the sense of the Congress that inasmuch as—

"(1) the United States, through mutual-security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of Western Europe;

"(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

"(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world,

those nations that have been assisted in their recovery should, in the future, share with the United States the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this act."

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 18, line 22, after "amended", strike out the balance of the line and the word "sections" on line 23, and insert: "as follows:

"(a) At the end of section 544, which relates to amendments to other laws, add the following new subsections:

"'(c) The first sentence of section 2 of the act of June 27, 1942, entitled "An act to exempt from duty personal and household effects brought into the United States under Government orders", as amended (U. S. C., title 50 App., sec. 802), is hereby further amended by striking out "1955" and inserting in lieu thereof "1956".'

"'(d) Public Law 480, 83d Congress (68 Stat. 454), is hereby amended by adding after section 305 the following new section:

"'"SEC. 306. In order to carry out more effectively the policies and purposes of this act, the President may exercise the authority provided herein without regard to the provisions of section 901 (b) of the Merchant Marine Act of 1936, as amended, or any other law relating to the ocean transportation of commodities, materials, and equipment on United States-flag vessels."'"

"(b) After section 547 add the following new sections."

Mr. MILLS. Mr. Chairman, I make the point of order against the amendment, of course, that it is not germane to the bill.

The CHAIRMAN. Does the gentleman from South Carolina desire to be heard?

Mr. RICHARDS. Mr. Chairman, may I ask if the gentleman raises the point of order in both instances?

Mr. MILLS. I base the point of order on the language of the amendment on page 19, lines 1 through 6. I am not advised as to the remainder of the amendment, but I do know that the language referred to is not germane to this bill. That language extends a provision of law relating to duties, which passed through the Congress initially coming from the Committee on Ways and Means. Incidentally, the House has already passed a bill extending this provision reported from the Committee on Ways and Means.

Mr. RICHARDS. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and the point of order is sustained. A point of order to a part of an amendment makes the whole amendment subject to a point of order, so the whole amendment goes out on the point of order.

Mr. BAILEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BAILEY. I have an amendment to offer that would apply at the bottom of page 20 following line 25. May I inquire of the Chair, if the committee amendment at the top of page 21 under subsection (b) is approved, will that pre-

clude me from offering an amendment to the bottom of page 20?

The CHAIRMAN. The gentleman would have to offer his amendment before the committee amendment to which he refers is considered.

Mr. BAILEY. May I inquire of the Chair how I might get recognition ahead of a member of the committee?

The CHAIRMAN. As soon as we dispose of the committee amendment preceding the place where the gentleman wants to offer his amendment, the gentleman may seek recognition.

The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 20, line 8, after "549." insert "(a)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 20, line 22, after "States" insert "to a greater extent."

The committee amendment was agreed to.

Mr. BAILEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY: On page 20, after line 25, insert a new subsection as follows:

"(b) It is the sense of the Congress that where there are areas within the continental United States in which unemployment statistics as certified by the Secretary of Labor exceed 15 percent of the labor force in such area or areas, the areas in question are hereby declared to be eligible for assistance under the provisions of this act."

Mr. RICHARDS. Mr. Chairman, I make the point of order against the amendment that it is not germane, obviously.

Mr. BAILEY. Mr. Chairman, the gentleman from West Virginia reserves the right to argue the point of germaneness.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from West Virginia.

Mr. RICHARDS. While the gentleman is speaking, I will reserve my point of order.

Mr. BAILEY. Mr. Chairman, it is evident that the amendment even if it were germane, assuming the attitude of the House at this stage of the proceedings, would not stand much chance of approval. However, Mr. Chairman, I think that I should argue the point of germaneness at least by calling attention to the fact that the title to the act itself invites just such an amendment as mine: "To amend the Mutual Security Act of 1954, and for other purposes."

Let me ask, Mr. Chairman, if this amendment is not germane and it is ruled out of order, where, then, may I inquire, is the mutuality? Is not the United States a part of this pact that we are setting up here? What may I ask is the object of this? It is for the betterment and the welding together of the free nations of the world. Mr. Chairman, may I inquire: Is not the United States one of those free nations or is not any part of the United States? May I call the attention of the Chair to the second page of the bill, lines 17, 18, 19 and 20. There it speaks of setting up a security pact for the North Atlantic—NATO. May I inquire: Is not the United States a part of that organization. Then let us go to page 7, lines 20 to 23 inclusive, which reads:

(2) Insert the following before the period at the end of paragraph (b): "; in addition, $1,500,000 for the fiscal year 1956 for contributions to the technical cooperation programs of the Organization of American States".

May I inquire, Mr. Chairman, is not the United States one of the American states? I think there is plenty of germaneness here, which is evident from the contents of the bill itself.

Mr. Chairman, I want to call the attention of the Congress to the fact that we are getting a long, long way from the interests of America. The purpose of offering this amendment is to call the attention of the Congress to the fact that we have within the continental United States sections of our economy which are in much worse condition than the economy of some of the nations it is proposed by this bill to give assistance to, both technical and economic. I just want to put this Congress on record to say whether they want to dish out $3½ billion for the use of some foreign countries when it could very well be used here at home. Another thing I have in mind is that before this session of the Congress closes, I would lke this Congress to make available some $300 million or $400 million to start a program to take care of our school classrooms. I want to call the attention of the Congress to the situation here in America.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from West Virginia has offered an amendment which has been reported. Against that amendment, the gentleman from South Carolina has made a point of order on the ground that it is not germane to the pending bill. The Chair invites attention to the fact that the pending bill is to amend the Mutual Security Act of 1954. The bill relates entirely to aid to foreign countries. The amendment offered by the gentleman from West Virginia relates entirely to assistance to areas in this country. Certainly, there can be no connection between the two. The bill under consideration is a bill for foreign aid. The amendment offered by the gentleman from West Virginia is an amendment for local aid confined to areas in this country, and certainly is not germane to the pending bill. Therefore, the Chair sustains the point of order.

The Clerk read as follows:

Committee amendment: On page 20, line 25, strike out "act.'" and insert "act."

Page 21, add the following:

"'(b) It is the sense of the Congress that assistance under this act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world.'

"SEC. 12. It is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations."

Mr. WILLIAMS of New Jersey. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of New Jersey to the committee amendment: On page 21, line 5, strike the period and quotation mark and add a semicolon and the following: "to encourage indigenous planning for the use of the full resources of the recipient countries, equitable distribution of the product that develops, a favorable land system, and the other attributes of a democratic society; and to encourage regional cooperation in maximizing the development and utilization of economic resources in order to assure maximum self-help in advancing toward better standards of life for all."

Mr. WILLIAMS of New Jersey. Mr. Chairman, I will be very brief.

It was said by one of the witnesses before our committee that next to colonialism feudalism is Moscow's most dependable ally. In the first part of the committee amendment we recognize this and we take a stand against colonialism and I think that is fine to demonstrate our support of people who are trying to throw off the yoke of colonialism.

But it seems to me it could go further and encourage those who are trying to get out from under archaic and restrictive economies and fight their way into a free and democratic economy. For that reason I have offered the first part of my amendment.

We heard yesterday that in some of the countries we assist, some of the wealthiest people are taxed at low, low rates. We heard also that in some of these countries people are driving Cadillacs, wearing mink coats, and that there is a lot of expensive perfume. I think if we state a policy that we are against those systems that do not help themselves, but are willing to help people who help themselves through solid, sound, free, and democratic economies we will achieve the security we want much sooner.

The final part of my amendment would encourage regional planning. We find in Europe where nations get together and evaluate their own needs and exchange efforts and then come for assistance, the assistance is directed at better, more productive, and sounder goals.

I therefore urge this as an addition to the colonialism part of the committee amendment.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the gentleman's amendment. I do not know that it does much good; I doubt that it does any harm. I am sure the gentleman remembers that in section 11 of the bill, subsection (b), we say already:

It is the sense of the Congress that assistance under this act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world.

I think that is about as far as we can go. No one has more admiration for the

gentleman from New Jersey for the able and hard work he does in our committee, but I just do not want to clutter up this bill with sentiments, even though they may be beautiful; after a while they get rather wearing.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. GROSS. Would the gentleman think that if we invite them to get together in regional plans that they could dig some more money out of us?

Mr. RICHARDS. I do not think so. If we get them together by regions they will need less assistance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WILLIAMS].

The amendment was rejected.

The CHAIRMAN. The question recurs on the committee amendment.

Mr. JUDD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. The Clerk read section 12. Should not the amendment that we are voting on now include only the first 5 lines at the top of page 21 and finish section 11 before we move to section 12?

The CHAIRMAN. It appears to the Chair it is all one amendment.

Mr. JUDD. No. Section 12 is a separate amendment to the bill.

The CHAIRMAN. It was so indicated in the report on the bill.

Mr. JUDD. It seems to me, looking at the bill, that section 12 is a separate section of the original bill, S. 2090.

The CHAIRMAN. The Chair invites the gentleman's attention to page 3 of the committee report which appears to embrace it all as one amendment.

Mr. RICHARDS. Mr. Chairman, I do not know whether the chair has ruled, but I think the gentleman from Minnesota is in error in his position. This is all one amendment.

Mr. JUDD. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. Mr. Chairman, will it be possible to ask for a separate vote on section 12, just a standing vote? A member of another body, the judicial branch, is in Asia making remarks that America's foreign policy should be favorable to admission of Communist China in opposition to the repeated and unanimous expressions of this Congress. I should like to have a separate vote on section 12, a standing vote, to show that we are unanimous, as I think we will be, on that point. We may not be unanimous on the final passage of the whole bill.

The CHAIRMAN. Does the gentleman desire to ask unanimous consent that the amendment be divided?

Mr. JUDD. I do, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The question is on the first part of the committee amendment.

The first part of the committee amendment was agreed to.

The CHAIRMAN. The question is on the second part of the committee amendment.

Mr. JUDD. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. If a standing vote is taken now and is unanimous, will the record show it was unanimous? If I withdraw that request, may I ask for a separate vote on it after we are back in the House?

The CHAIRMAN. No; the gentleman cannot do that. The gentleman, the Chair may say, imposes a considerable burden on the Chair to state how the vote of the committee is going to be.

The question is on the second part of the committee amendment.

The question was taken; and on a division (demanded by Mr. JUDD) there were—ayes 221, noes 0.

So the second part of the committee amendment was agreed to.

Mr. TUMULTY. Mr. Chairman, I regret the House failed to amend the mutual-security bill in many instances, but most particularly in overriding the amendment of the Member from New York [Mrs. KELLY]. We should have cut off all aid to Tito who has the blood of innocent people on his hands. Although I supported Mrs. KELLY's amendment and I am working for the bill on final passage, I do so relying on the promise that the President will act after the summit. These aid programs to countries like atheistic Yugoslavia must end soon.

Mr. CURTIS of Missouri. Mr. Chairman, it is a difficult thing to take a position on basic and important legislation knowing full well ahead of time that what you say will have little or no effect upon the votes of your colleagues and will be misunderstood by your constituency. And yet there are times when such a position must be taken in the hopes that in time, and with the small assist from the protest registered, the significance of the position will be understood.

I am opposing and voting against the present bill to authorize the expenditure of $3.5 billion additional Federal funds for the mutual-security program. I am strongly in favor of the professed objectives of the mutual-security program and to this extent I differ from probably the bulk of those speaking against and voting against this legislation today. In the past in order to try to express my views I have voted for the authorization bills to show my approval of the objectives of the program, and against the appropriation bills carrying out the authorization program to show my disapproval of what seemed to me to be lack of budgetary justifications for the sums of money requested to carry out these programs.

I have read the report of the Foreign Affairs Committee on this $3.5 billion authorization bill. I have gone further. I have read most of the 778 pages of recorded hearings conducted by this committee in its 10 days of hearings. I have listened to the remarks of the members of the committee made on the floor of the House during this debate. I have personally talked to individual members of the committee on the floor to check my judgment of what seemed to me to be the situation confronting the House on this legislation.

Regretfully, I state that in my judgment we have before us an almost complete collapse of responsibility of the House committee to the members of the House and a collapse of responsibility of the executive department agencies in giving to that committee the necessary information to pass intelligent judgment upon the program requested by the executive department.

No one can tell beyond a series of generalities what the program has been, is, and is proposed to be. Members of the committee have been rather frank in admitting that the proposal in effect is a blank check to the executive department. Perhaps a blank check of a few dollars might have some justification, but gentlemen a blank check of $3.5 billion is a rather complete capitulation of the responsibilities the Congress owes to the people who have elected them to serve as their representatives to study and consider the proposals advanced by the executive department.

The committee has said that they will follow carefully the expenditure of the funds, but these are hollow words and idle promises in light of the complete failure as revealed in the hearings to follow and understand what the expenditures in the past have been for.

Eight billion, seven hundred million dollars of unexpended, but allegedly obligated, funds remain as a carryover from the previous years. I say "allegedly" obligated funds because I have found as has any committee of the Congress or any individual Congressman who has looked into some of the contracts under which funds have been alleged to be obligated, that in actuality many of these obligations are completely phony, many are under completely unrealistic contracts, many are under unauthorized contracts, many are on their face wasteful contracts and so forth.

The persons in the executive department appearing before the committee in justification of the authorizations first stated that the unexpended and unobligated balances were $100 million. A few days later the amount was amended to be $200 million and just a few days before the bill came to the floor the amount had risen to almost $700 million. Now what does this spell out? It spells out two things: First, those in charge of the program do not know very much about the details of their fiscal affairs; second, somebody, or somebodies, in the executive department had been guilty of concealing the exact fiscal picture.

Now my friends on the Foreign Affairs Committee, a legislative committee, may say that these fiscal matters are not their affair but the proper affair of the Appropriations Committee. Basically these matters are matters for the Appropriations Committee, but I might remind my friends on the legislative committee that the best and, indeed, the only real way to find out what has truly been going on in a program is to look into some of the expenditures of funds to see. Look into the contracts under which

funds have been spent and are obligated. In this way, and in this way alone, you will get a true picture of what the real objectives of the program have amounted to in reality in relation to what we had planned them to be.

Yet the executive department officials in their testimony before the committee rather frankly—and this is refreshing—admit they do not themselves know what all the obligation of funds are about, but that they hope to get on top of them soon. How, indeed, can they come before the Congress under these circumstances and ask for any additional funds? And the committee instead of sending the executive officials back to their offices downtown to get their shop in order, lets them get away with the most inadequate case of justification for funds I have seen since I have been in the Congress.

Now we do not get friends abroad or allies by pretty speeches, pious hopes, and fancy plans. I can make pretty speeches, too. I can have hopes and I can make plans and as I have said I agree with the general objectives set forth by the advocates of the mutual security program, but they mean not a thing if they do not relate to reality. It is through intelligent expenditure of funds that plans become realities.

The relationship of Congressman JUDD's fine oratory about the objectives of this proposed mutual security program and the bill now before us is so distant that when he talks about objectives he in truth is not speaking to the bill.

Fiscal irresponsibility, and the case before us is a gross one, hurts the objectives of a program. The waste, the stupidity, the unreality of many of the programs actually put into effect by the expenditure of funds under the mutual security program are known to any Congressman or American who has traveled abroad. These programs have hurt the United States and its cause, not helped the United States. The expenditure of funds unrealistically has undermined the very objectives so eloquently presented by the proponents of this measure in debate.

These are strong words I am uttering, but I would not make them if the situation I am describing were not so patently true.

As a Republican, I am ashamed of my administration which campaigned basically on a platform of fiscal responsibility for presenting a program in such a shoddy fashion. It hurts badly the cause of fiscal responsibility for which I hope we are still working; it hurts the cause of a balanced budget; it hurts the possibilities of a tax reduction; and to reiterate it badly hurts the very program it seeks to advance.

Eight billion seven hundred million dollars of obligated funds unchecked by the Congress, under the various procedures developed by the executive agencies in deobligating and reobligating funds, is a blank check. The new $3.5 billion is by admission to be a blank check. Twelve billion two hundred million dollars is a serious sum of money to grant even under rigid checks and controls, let alone under a blank-check formula.

The expenditure of $12.3 billion constitutes vast powers for good or ill, so vast that no bad man should be entrusted with such powers and no good man should ask for them.

The damage has been done. No plea of mine will change the course of action upon which we have embarked. The best I could offer in the way of a suggestion to correct the errors is for the House to recommit this bill back to the committee with instructions to forthwith conduct complete and adequate hearings to find out from the executive department how the money in the past has been spent, what the money is presently obligated to be spent for, and what the money requested for in the future is to be spent for. This would require a month of steady work by many men judging from the inadequacies of the executive department's books revealed in the hearings. The Congress would have to stay in session on into the fall. Yet this should be done, though I know it will not.

The next best step, of course, is for the Appropriation Committee to go into both the past, the present, and future of the expenditure of these funds and put reality into the picture. This means rescinding contracts that have no sense or justification and are outside the intent of the program. It means writing legislation in an appropriations bill to the extent that has never been done before to protect against future injudicious spending.

If the mutual security program is to attain its objectives this must be done. If the Congress is to live up to its responsibilities to the people it represents it must be done. If the executive department is truly going to recognize the importance of the constitutional division of powers and the necessity of an independent legislature in a free society it must be done.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2090) to amend the Mutual Security Act of 1954, and for other purposes, pursuant to House Resolution 288, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

Mr. SMITH of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SMITH of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SMITH of Wisconsin moves to recommit the bill S. 2090 to the Committee on Foreign Affairs with instructions to report the same to the House forthwith with the following amendment: On page 5, line 21, strike out the semicolon at the end of paragraph 3 and insert the following: "and only so long as it shall waive all criminal jurisdiction over personnel of the Armed Forces of the United States stationed in such nation as a result of such treaties or agreements."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. SMITH of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on passage of the Senate bill.

Mr. RICHARDS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 273, nays 128, not voting 33, as follows:

[Roll No. 105]

YEAS—273

Addonizio	Devereux	Jarman
Albert	Dixon	Jenkins
Allen, Calif.	Dodd	Johnson, Calif.
Allen, Ill.	Dollinger	Johnson, Wis.
Anfuso	Dolliver	Jones, Ala.
Arends	Donohue	Jones, Mo.
Ashley	Donovan	Judd
Aspinall	Dorn, N. Y.	Karsten
Auchincloss	Edmondson	Kean
Avery	Elliott	Keating
Ayres	Ellsworth	Kee
Baker	Engle	Kelley, Pa.
Baldwin	Evins	Kelly, N. Y.
Barrett	Fallon	Keogh
Bass, N. H.	Fascell	Kilburn
Bates	Feighan	Kilday
Baumhart	Fenton	King, Calif.
Becker	Fernandez	Kirwan
Bennett, Fla.	Fine	Klein
Blatnik	Fino	Kluczynski
Boggs	Flood	Knutson
Boland	Fogarty	Lane
Bolling	Forand	Lanham
Bolton, Frances P.	Ford	Lankford
Bowler	Forrester	Latham
Boyle	Frazier	LeCompte
Brooks, Tex.	Frelinghuysen	Lesinski
Brown, Ga.	Friedel	Lipscomb
Broyhill	Fulton	McCarthy
Buckley	Gamble	McConnell
Burleson	Garmatz	McCormack
Burnside	Gary	McDonough
Bush	Gathings	McDowell
Byrd	Gordon	McMillan
Byrne, Pa.	Granahan	Macdonald
Byrnes, Wis.	Green, Oreg.	Machrowicz
Cannon	Gregory	Madden
Carnahan	Griffiths	Magnuson
Carrigg	Hagen	Mahon
Celler	Hale	Mailliard
Chelf	Halleck	Marshall
Chenoweth	Harden	Martin
Chiperfield	Hardy	Matthews
Christopher	Hays, Ark.	Meader
Clark	Hays, Ohio	Merrow
Cole	Hayworth	Metcalf
Cooper	Hébert	Miller, Calif.
Corbett	Heselton	Miller, Md.
Coudert	Hess	Miller, N. Y.
Cramer	Hill	Minshall
Cretella	Hillings	Mollohan
Cunningham	Hinshaw	Morano
Curtis, Mass.	Holifield	Morgan
Dague	Holmes	Moss
Davis, Ga.	Holt	Multer
Davis, Tenn.	Holtzman	Murray, Ill.
Dawson, Utah	Hope	Murray, Tenn.
Deane	Horan	Natcher
Delaney	Hosmer	Norblad
Denton	Huddleston	O'Brien, Ill.
Derounian	Hyde	O'Brien, N. Y.
	Ikard	O'Hara, Ill.

O'Neill
Osmers
Ostertag
Patman
Patterson
Pelly
Pfost
Philbin
Pilcher
Pillion
Poage
Poff
Powell
Preston
Price
Priest
Prouty
Quigley
Rabaut
Radwan
Rains
Ray
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Richards
Riehlman
Riley
Roberts
Robsion, Ky.
Rodino
Rogers, Colo.
Rogers, Mass.
Rooney
Roosevelt
Sadlak
St. George
Schenck
Schwengel
Scott
Scudder
Seely-Brown
Selden
Shelley
Sheppard
Sieminski
Simpson, Pa.
Sisk
Smith, Miss.
Spence
Springer
Staggers
Steed
Sullivan
Taber
Taylor
Teague, Calif.
Teague, Tex.
Thompson, N. J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Trimble
Tumulty
Udall
Vanik
Vinson
Vorys
Vursell
Wainwright
Walter
Watts
Westland
Wickersham
Widnall
Wigglesworth
Williams, N. J.
Wilson, Calif.
Wilson, Ind.
Wolcott
Wolverton
Wright
Yates
Young
Younger
Zablocki
Zelenko

NAYS—128

Abbitt
Abernethy
Adair
Alexander
Alger
Andersen, H. Carl
Andresen, August H.
Andrews
Ashmore
Bailey
Bass, Tenn.
Beamer
Belcher
Bell
Bennett, Mich.
Bentley
Berry
Betts
Blitch
Bonner
Bosch
Bow
Bray
Brooks, La.
Brown, Ohio
Brownson
Budge
Burdick
Carlyle
Cederberg
Chase
Church
Clevenger
Colmer
Cooley
Coon
Crumpacker
Curtis, Mo.
Davis, Wis.
Dies
Dondero
Dorn, S. C.
Dowdy
Durham
Fisher
Fjare
Flynt
Fountain
Gavin
Gentry
Gray
Gross
Gwinn
Haley
Hand
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Henderson
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Hull
Jennings
Jensen
Johansen
Jonas
Jones, N. C.
Kilgore
King, Pa.
Knox
Krueger
Laird
Landrum
Long
Lovre
McCulloch
McIntire
McVey
Mack, Wash.
Mason
Miller, Nebr.
Mills
Nelson
Nicholson
Norrell
O'Hara, Minn.
O'Konski
Passman
Phillips
Reed, Ill.
Rees, Kans.
Robeson, Va.
Rogers, Fla.
Rogers, Tex.
Rutherford
Saylor
Scrivner
Sheehan
Short
Shuford
Sikes
Siler
Simpson, Ill.
Smith, Kans.
Smith, Va.
Smith, Wis.
Talle
Thomas
Thompson, La.
Thompson, Mich.
Tuck
Utt
Van Pelt
Van Zandt
Velde
Weaver
Wharton
Whitten
Wier
Williams, Miss.
Williams, N. Y.
Willis
Winstead
Withrow

NOT VOTING—33

Barden
Bolton, Oliver P.
Boykin
Buchanan
Canfield
Chatham
Chudoff
Davidson
Dawson, Ill.
Dempsey
Diggs
Dingell
Doyle
Eberharter
George
Grant
Green, Pa.
Gubser
Jackson
James
Kearney
Kearns
McGregor
Mack, Ill.
Morrison
Moulder
Mumma
Perkins
Polk
Reece, Tenn.
Reed, N. Y.
Rivers
Scherer

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Polk for, with Mr. Dempsey against.

Mr. Boykin for, with Mr. Moulder against.

Mr. George for, with Mr. Reece of Tennessee against.

Mr. Eberharter for, with Mr. Barden against.

Mr. Davidson for, with Mr. McGregor against.

Mr. Doyle for, with Mr. Scherer against.

General pairs:

Mr. Morrison with Mr. Gubser.

Mr. Dingell with Mr. James.

Mrs. Buchanan with Mr. Jackson.

Mr. Dawson of Illinois with Mr. Kearney.

Mr. Chatham with Mr. Kearns.

Mr. Chudoff with Mr. Reed of New York.

Mr. Green of Pennsylvania with Mr. Mumma.

Mr. Diggs with Mr. Canfield.

Mr. Rivers with Mr. Oliver P. Bolton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the bill S. 2090, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. RICHARDS, MORGAN, ZABLOCKI, VORYS, and JUDD.

GENERAL LEAVE TO EXTEND REMARKS

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 928. An act for the relief of Eugenio Maida;

H. R. 989. An act for the relief of Dr. Louis J. Sebille;

H. R. 990. An act for the relief of Takako Riu Reich;

H. R. 1111. An act for the relief of Philip Mack;

H. R. 1163. An act for the relief of Lee Houn and Lily Ho Lee Houn;

H. R. 1247. An act for the relief of Carol Brandon (Valtrude Probst);

H. R. 1255. An act for the relief of Ferenc Babothy;

H. R. 1281. An act for the relief of Carlo Nonvenuto;

H. R. 1283. An act for the relief of Olga Joannou Georgulea;

H. R. 1287. An act for the relief of David Mordka Borenstajn, Itta Borenstajn nee Schipper, and Fella Borenstajn Reichlinger;

H. R. 1357. An act for the relief of Chin York Gay;

H. R. 1417. An act for the relief of Charles (Carlos) Gerlicz;

H. R. 1467. An act for the relief of Stijepo Buich;

H. R. 1472. An act for the relief of Victor Manuel Soares De Mendonca;

H. R. 1473. An act for the relief of Eleanore Hauser;

H. R. 1474. An act for the relief of Ross Sherman Trigg;

H. R. 1475. An act for the relief of Wing Chong Chan;

H. R. 1525. An act for the relief of Ardes Albacete Yanez;

H. R. 2470. An act for the relief of T. C. Elliott;

H. R. 2933. An act for the relief of Mrs. Berta Mansergh;

H. R. 3069. An act for the relief of Eufronio D. Espina;

H. R. 3070. An act for the relief of Mrs. Lee Tai Hung Quan and Quan Ah Sang;

H. R. 3075. An act for the relief of Virgil Won (also known as Virgilio Jackson);

H. R. 3194. An act for the relief of E. S. Berney;

H. R. 3271. An act for the relief of John Lloyd Smelcer;

H. R. 6871. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, as amended, relating to war-risk hazard and detention benefits until July 1, 1956;

H. R. 6992. An act to extend for 1 year the existing temporary increase in the public debt limit;

H. J. Res. 365. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1955; and

H. J. Res. 366. Joint resolution making temporary appropriations for the fiscal year 1956, providing for increased pay costs for the fiscal year 1955, and for other purposes.

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. 5560. An act relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to a bill of the House of the following title:

H. R. 6239. An act 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.

H. R. 6042. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1956, and for other purposes.

The message also announced that the Senate agrees to the House amendments to the Senate amendments Nos. 5 and 33 to the bill H. R. 6042.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 727) entitled "An act to adjust the salaries of the judges of the Municipal Court of Appeals for the District of Columbia, the Municipal Court for the District of Columbia, the Juvenile Court of the District of Columbia, and the District of Columbia Tax Court."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Gov-

ernment," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 55-20.

STATE, JUSTICE, AND JUDICIARY APPROPRIATION BILL, 1956

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H. R. 5502, the State, Justice, and judiciary appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEGISLATIVE APPROPRIATION BILL, 1956

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 294, Rept. No. 1042), which was referred to the House Calendar and ordered to be printed:

Resolved, That during the consideration of the bill (H. R. 7117) making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes, all points of order against the bill are hereby waived.

MICHAEL J. BUNKE

Mr. HALLECK. 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 Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, although the event is of particular significance to the Members on my side of the aisle, I would like to call the attention of the House to the retirement today of Michael J. Bunke, manager of telephones in the Republican cloakroom.

For the record, let it be said that according to his own accounting, "Mike" Bunke served as an employee of the Congress for 42 years, 4 months, and 27 days.

This is a career which stretches back to 1913 and includes assignments in both the House and Senate. At one time Mr. Bunke served as clerk of the old Naval Affairs Committee, back in the days when a favorite sport was teasing members of the committee about the "Swiss Navy" under their jurisdiction. I must say times have certainly changed since then.

Mike's service as telephone manager in the Republican cloakroom began 23 years ago.

I think I speak for all of us who have known him when I say that we have found Mike always faithful, dependable, and thoroughly cooperative.

Under his managership we have enjoyed a well-ordered cloakroom that has helped immeasurably to make our own work easier.

I think it is safe to say that there are probably few jobs up here that require more patience, and I think we can all agree that in administering to the varied personalities and temperaments that make up this great body, Mike proved equal to the task.

We have known Mike, too, as a devoted family man, a proud grandfather and a Christian gentleman dedicated to the work of his church.

I do not know what his future plans may be—I understand he hopes to travel around a bit and see some of the country—but whatever they may be, I want to wish "Mike" Bunke well in his retirement.

We will remember him with all kindness, and we hope he comes back here to see us from time to time.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Speaking from the Democratic side, I join with the gentleman from Indiana in paying a proper and a fitting tribute to Mike. He has been a very faithful employee. I met him the other day and he told me of his pending retirement. He is a remarkable gentleman, fine personality, devoted to every Member of the House. We value the organization of the House and those who serve us. He has been one of the most important employees for a long period of time. In his retirement there goes with him not only the expression of respect and appreciation and good wishes from the Republican side but also from the Democratic side.

Mr. HALLECK. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. REED of Illinois. Mr. Speaker, I, too, wish to say a word of commendation of the services rendered for so many years to Members of Congress, past and present by Mr. Michael J. Bunke. As the gentleman from Indiana [Mr. HALLECK] has said he served as an accommodating and faithful employee in various positions of trust in the legislative branch of our Government for 42 years—from the 63d Congress until the 84th Congress. Mr. Bunke's legal residence is within the district I represent. I have known him intimately for 21 years. I met him for the first time on the day I appeared on this floor to take my oath as a Member of the 74th Congress. He had then been here as long as my present service. He immediately "took me under his wing" so to speak, and advised and counseled with me concerning the many intricacies that bewilder a freshman Congressman. He spared neither time nor energy in so doing, and I shall forever be grateful to him. During my years as a Member, I could not refrain from noticing that in the performance of his duties as manager of the telephones in the Republican cloakroom, the genuine courtesies and pleasant manner which he accorded the Members, the officers, and employees of the House, and the boys who worked under him and whom he directed. He was always loyal to the officers under whose direction he worked. Perhaps he exercised untold wisdom in retiring at the present time while his health is good and he can look forward to many years of enjoyment with his wife and with his son and two daughters and their families. He told me he and Mrs. Bunke expect to do some traveling in the immediate future, just where, I am but partially informed, but wherever they go, they will take with them the best wishes of their many congressional friends, who know that he has performed a difficult task well, has earned his retirement and who trust that he will enjoy it for many years to come.

A TRIBUTE TO HERBERT HOOVER

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HIESTAND. Mr. Speaker, today the Commission on Organization of the Executive Branch of the Government expires. The Honorable Herbert Hoover, the remarkable Chairman of the Commission, has indicated that the conclusion of this work will also mark his retirement from public life. Mr. Hoover has completed over 41 years of dedicated public service, and he is most assuredly one of the greatest men this country has ever produced. The nature and magnitude of his work over his lifetime clearly warrants that today we pause from our work and devote a few moments to reflect on his devoted life and many accomplishments.

No one here can organize words into any statement which would do justice to the great Herbert Hoover. His true character can only be appreciated and felt—it cannot be expressed in words. His background is remarkable. It is unnecessary and would take far too long today to enumerate his interests and accomplishments, but it is only proper to call attention to some of the milestones in the development of this great patriot and humanitarian.

Born into the Quaker faith in a 1-story, 3-room cottage in West Branch, Iowa, on August 10, 1874, Herbert Hoover was raised with a strong feeling of integrity, education, thrift, and individual enterprise. His father died when Herbert was 6, and his mother died when he was 8, after taking in sewing to save the $1,000 insurance upon his father's life to help in the children's education. Thereafter, Herbert lived with relatives, first on a farm and then in a small town. The farm was not only a farm but all kinds of factories, and the social security was in the form of a celler filled every fall with bins and jars and barrels.

The farm economic system absolutely denied collective bargaining to small boys—

Mr. Hoover remarks in his wonderful memoirs.

The prevailing rate for picking potato bugs was 1 cent a hundred and if you wanted firecrackers on the Fourth of July you took it or left it.

Later Mr. Hoover moved to Oregon, where he lived until entering Stanford

University with the first class. He took various jobs and established various enterprises which enabled him to graduate with an engineering degree, and $40 in his pocket.

About this time a poem was written by Rudyard Kipling, entitled "If," which provides an excellent measure of what makes a man of good character.

These lines help us to gain an insight into the great character of Herbert Hoover:

If you can keep your head when all about you
Are losing theirs and blaming it on you;
If you can trust yourself when all men doubt you,
But make allowance for their doubting too;
If you can wait and not be tired by waiting,
Or being lied about, don't deal in lies,
Or being hated don't give way to hating,
And yet don't look too good, nor talk too wise:
If you can dream—and not make dreams your master;
If you can think—and not make thoughts your aim,
If you can meet with triumph and disaster
And treat those two imposters just the same;
If you can bear to hear the truth you've spoken
Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to, broken,
And stoop and build 'em up with worn-out tools:
If you can make one heap of all your winnings
And risk it on one turn of pitch-and-toss,
And lose, and start again at your beginnings
And never breathe a word about your loss;
If you can force your heart and nerve and sinew
To serve your turn long after they are gone,
And so hold on when there is nothing in you
Except the will which says to them: "Hold on!"
If you can talk with crowds and keep your virtue,
Or walk with kings—nor lose the common touch,
If neither foes nor loving friends can hurt you,
If all men count with you, but none too much;
If you can fill the unforgiving minute
With sixty seconds' worth of distance run,
Yours is the Earth and everything that's in it,
And—which is more—you'll be a man, my son.

Herbert Hoover has lived up to this measure of a man, and more, and while under the worst of circumstances.

His accomplishments in private life were great. By 1914 he had traveled many times all over the world, was probably the most respected mining engineer in the world, and had earned a personal fortune. World War I intervened at this point. The Belgians were starving under enemy occupation, and an appeal was made for Herbert Hoover to organize from nowhere a Belgian Relief Organization which feed the Belgian people in the midst of war and against terrible conditions. Nothing like it had ever been undertaken before. It is with a great deal of emotion that one reads his remarks on page 148 of his memoirs, where he says, "I did not realize it at the moment, but on Monday, August 3d, my engineering career was over forever. I was on the slippery road of public life."

Since that day Herbert Hoover has given unsparingly of his time, his energy, his wisdom, and his personal fortune. His only desire has been to be of service—to help make the world a better place in which to live. His contributions are so many and varied that their extent and importance can only be realized by study.

Herbert Hoover is a living example to every human being of what is good in the nature of men.

The citizens of this country and the Congress cannot begin to repay Herbert Hoover for his long years of service without reward. But the least the Congress can do on this day of his retirement is to give some recognition to Herbert Hoover for his long years of selfless service by passing the following resolution:

Whereas the Honorable Herbert Hoover is concluding over 4 decades of dedicated public service without accepting any salary for personal use at any time, and

Whereas he has raised a new high standard of tolerance and high moral character, and

Whereas he has given unsparingly of his wisdom and energy to make the world a better place in which to live, and

Whereas his inspiring and effective leadership in the reorganization of the Executive Branch of the Government has been particularly unusual and invaluable to the Congress and to the American people, and

Whereas the nature and magnitude of his work have been so great as to merit extremely rare attention: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress hereby extends its wholehearted feeling of gratitude and expresses the appreciation of the citizens of this country to the Honorable Herbert Hoover for his invaluable and selfless service toward the betterment of mankind.

Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

VETERANS' ADMINISTRATION HOSPITAL SITE, TOLEDO, OHIO

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the bill H. R. 7007 be re-referred from the Committee on Interstate and Foreign Commerce to the Committee on Government Operations.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SPECIAL ORDER GRANTED

Mr. WILLIAMS of New Jersey. Mr. Speaker, I ask unanimous consent that the special order granted me for today be vacated, and that I may address the House for 30 minutes on Wednesday next following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

RESOLUTIONS ADOPTED BY WESTERN ASSOCIATION OF STATE GAME AND FISH COMMISSIONERS

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, under leave to revise and extend my remarks, I wish to insert in the RECORD the resolutions adopted by the Western Association of State Game and Fish Commissioners at their 35th annual conference at Moran, Wyo., on June 18, 1955. I want to call special attention to the Members to Resolution No. 8. The resolutions follow:

Resolution 1

(Unappropriated balance of Pittman-Robertson fund)

Whereas there is an unappropriated balance in the United States Treasury of $13,467,468.71 in the special fund known as the Federal Aid in Wildlife Restoration Fund under the provisions of the Pittman-Robertson Act of 1937; and

Whereas there is an urgent need for utilization of these funds in development of wildlife projects within the States; and

Whereas there is now a bill pending in the lower House of Congress, namely the Boykin bill, H. R. 6502, which provides for allocation of this unappropriated balance to the States under a formula similar to that in the Pittman-Robertson Act; and

Whereas this proposed measure also makes provision for management of wildlife resources; and

Whereas there is widespread support and need for this legislation: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commisioners does hereby urge the House Merchant Marine and Fisheries Committee to give favorable consideration to passage of H. R. 6502. However, this association wishes to go on record as preferring the deletion of the 30-percent limitation on management funds that is proposed in this measure.

Resolution 2

(Funds for browse research)

Whereas there is continuing and urgent need to conduct research on methods and means of revegetating browse on ranges in the Western States; and

Whereas the Congress has appropriated funds for forestry research in general, but has failed to budget funds specifically for browse research: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners commends the action of the Congress in appropriating such forest research funds; and be it further

Resolved, That this association does hereby request that the Congress appropriate research funds for a study of methods and means of revegetating the western ranges with browse species; and be it further

Resolved, That the United States Forest Service be commended on research already conducted along these lines in cooperation with the several States.

Resolution 3

(Browse revegetation committee)

Whereas in accordance with Resolution No. 8 of the 33d annual conference and Resolution No. 9 of the 34th annual conference of the Western Association of State Game and Fish Commissioners, which established a browse revegetation committee with instructions to make a report governing information and facts at hand, and the desirability of further exchange of methods and information regarding browse rehabilitation; and

Whereas after detailed study by the committee, it is the unanimous opinion of the committee that a coordinated program for furthering browse revegetation be formulated and adopted: Now, therefore, be it

Resolved, by the Western Association of State Game and Fish Commissioners, That the Browse Revegetation Committee continue as an active committee; and be it further

Resolved, That the committee continue to act as a clearing house for information on browse research and to coordinate the efforts of the several States with similar efforts of the United States Forest Service and any other public agencies conducting similar studies.

Resolution 4

(Funds for recreational use of national forests)

Whereas the recreational use of National forests of the west continues to grow in keeping with increased population of the Nation and increased leisure; and

Whereas many national forests are presently in urgent need of recreational facilities including but not limited to camp ground and sanitation facilities, and wildlife habitat development; and

Whereas funds for the development of the aforesaid recreational facilities are almost entirely lacking: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners does hereby petition Congress to hasten action on some type of legislation which would make available to the Forest Service funds for recreational improvement and upkeep and wildlife habitat development.

Resolution 5

(Mining laws)

Whereas during the past few years there has developed a tremendously increased activity in the filing of mining claims for legitimate mining purposes and for the private acquisition of public lands under the guise of legitimate mining; and

Whereas such activity has proceeded in a fashion which ignores the recreational interests of the general public on public lands; and

Whereas such exploitation if allowed to continue in its present haphazard fashion can virtually eliminate the public from hunting and fishing on said public lands and destroy important surface values which are essential to watersheds and fish and wildlife: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners does hereby urge Congress to give favorable consideration to immediate passage of the Anderson bill, S. 1713, and the Rogers bill, H. R. 5891, which would correct many of the present evils of existing laws dealing with the filing of mining claims.

Resolution 6

(Management of game on Federal lands)

Whereas there is a distinct need for Congress to define the authority to manage game and fish on all federally owned or controlled lands; and

Whereas the Department of Defense has in many instances failed to cooperate with the States in the management of game and fish on military reservations: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners strongly urges Congress to enact legislation as follows:

That State game and fish laws, rules, and regulations on resident game and fish apply to all federally owned or controlled lands;

That State game and fish laws, rules, and regulations apply to all military reservations consistent with necessary security measures established for such areas; and be it further

Resolved, That the western association is strongly opposed to H. R. 5442 introduced by Congressman SIKES, of Florida, vesting State game and fish management authority in the Secretary of Defense for the administration of wildlife resources on military reservations.

Resolution 7

(Protesting the disposal of Bankhead-Jones lands)

Whereas the Federal Government has indicated an intention to dispose of all lands acquired under the Bankhead-Jones Title III Act; and

Whereas these lands are principally submarginal suitable for grazing and wildlife only: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners goes on record as strongly recommending that these lands be retained in Federal ownership or leased to the appropriate game and fish agencies for wildlife purposes.

Resolution 8

(Acquisition of Federal waterfowl lands)

Whereas the waterfowl refuge program as recommended by the President's committee of 1934 is less than half completed; and

Whereas the duck stamp funds, although originally intended in large measure for the acquisition of lands for waterfowl management purposes, have not been adequately expended in this direction; and

Whereas the increasing demand for such lands coupled with their decreasing availability makes their immediate acquisition of utmost urgency: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners does hereby urge the Congress to give favorable consideration to passage of a measure designed to require that 40 percent of duck-stamp receipts be expended for waterfowl land acquisition. Such provisions are contained in H. R. 37 (ENGLE); H. R. 597 (YOUNG); H. R. 2142 (JOHNSON); H. R. 4448 (MOSS); and H. R. 5140 (REUSS).

Resolution 9

(Harvest of game on Federal refuges)

Whereas harvestable surpluses of waterfowl, big game, and upland game continue to exist on federally owned and operated game refuges; and

Whereas the need to manage properly these resources includes a program for orderly harvest; and

Whereas the United States Fish and Wildlife Service has given recognition to this problem in recent years: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners does hereby commend the United States Fish and Wildlife Service on its attitude regarding the regulated harvest of such game species in a manner compatible with the long-range needs of the species involved; and be it further

Resolved, That the association does hereby urge the United States Fish and Wildlife Service to give continued study and action leading to public hunting in cooperation with the States on all areas where a regulated harvest would be in the long-range interest of conservation.

Resolution 10

(Amendments to Coordination Act)

Whereas the need exists to integrate more closely wildlife conservation programs of State and Federal jurisdictions with water resource developments in order to prevent loss of or damage to wildlife resources: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners does hereby urge Congress to give favorable consideration to a proposed measure to amend the Coordination Act of 1946 (Public Law 732, 79th Cong.) which embodies substantially the following provisions:

(1) The integration of wildlife conservation programs with water resource development, and

(2) To prevent loss to wildlife resources, the integration of these programs should consider the enhancement of wildlife, and

(3) That the reports of the Fish and Wildlife Service on these programs be made an integral part of the report that goes to the Congress from the Corps of Engineers, and

(4) That the provisions of this act as it is prepared to be amended shall apply to all projects heretofore authorized for which no appropriations have been made, or actual construction thereon started.

Resolution 11

(Public ownership of forest lands in Arizona)

Whereas 98,000 acres of land in the Coconino and Sitgreaves National Forests of Arizona have been granted to the Azetec Land & Cattle Co. by the Supreme Court of the United States; and

Whereas this land has in the past been considered public land administered by the United States Forest Service; and

Whereas this land is choice timber land included in the sustained yield program of timber harvest of the Forest Service; and

Whereas this land is also some of the best deer, turkey, and elk range in Arizona; and

Whereas Congress has indicated an intention to purchase this land to restore to public ownership: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners goes on record as favoring the immediate enactment of S. 55 which would restore these valuable lands to public ownership.

Resolution 12

(Amendments to the Withdrawal Act and the Federal Power Act)

Whereas the Federal Power Act and the Withdrawal Act cited as Power Site Reserve No. 66 created December 30, 1909, by Executive order of the Secretary of the Interior dated July 2, 1910, under the act of Congress June 25, 1910 (36 Stat. 847), authorizes the Federal Power Commission to issue licenses for the construction of hydropower facilities in important river systems of the Western States without authorization from the States; and

Whereas a recent Supreme Court decision sustains the right of the Federal Power Commission to issue permits for the construction of facilities upon streams wholly within one State and with disregard to State authorization; and

Whereas the rivers of the Western States produce many values all of which must be protected and developed in a balanced and integrated pattern for maximum value; and

Whereas disregard for sovereign State rights with respect to development of resources wholly within their boundaries places

both established developments related to stream utilization as well as all future resource protection and development in jeopardy, and is in conflict with all traditional procedures and safeguards relating to instate waters: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners does hereby urge the United States Congress to give immediate attention to amending the Federal Power Act and the Withdrawal Act in a manner that will require the Federal Power Commission to first secure the approval, authorization, and permit of the State through appropriate license before a Federal license and permit may be issued for the construction of facilities in streams falling wholly within the boundaries of one State.

Resolution 13

(Commending Wyoming hospitality)

Whereas the 35th annual conference of the Western Association of State Game and Fish Commissioners has been outstanding in furthering the goals of the association; and

Whereas the setting of this conference in the scenic beauty of the Grand Teton Range of Wyoming has inspired those in attendance to greater efforts in conservation; and

Whereas President Lester Bagley, members of the Wyoming Game and Fish Commission, and the personnel of the Wyoming Game and Fish department have labored long and hard to assure the success of the conference; and

Whereas the sportsmen and businessmen of Wyoming, and the personnel of the Jackson Lake Lodge have proven themselves most gracious hosts: Now, therefore, be it

Resolved, That the Western Association of State Game and Fish Commissioners does hereby go on record as thanking their Wyoming hosts for an outstanding meeting, and for their fine efforts to furnish hospitality to one and all in attendance.

SCHOOL CONSTRUCTION

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Subcommittee on School Construction may sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HOUSE JOINT RESOLUTION 330

Mr. MOSS. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. HOFFMAN] be permitted to file additional views as part 2, Report No. 998, on House Joint Resolution 330.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

OUR ESTEEMED COLLEAGUE—CONGRESSWOMAN ROGERS

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, I am greatly honored to join my colleagues of the House in extending heartiest congratulations to our esteemed and beloved colleague and friend, the gracious gentlewoman from Massachusetts [Mrs. ROGERS], upon the 30th anniversary of her membership in this distinguished body.

Mrs. ROGERS has been an outstanding representative of her people. More than that, she is an outstanding American. Her faithful, able service throughout many long years is indeed an enduring monument. Her painstaking work, unflinching devotion to humane causes, particularly her profound interest and unselfish labors for our veterans have made a deep impression upon everyone familiar with her career and have been greatly appreciated by her constituents, the veterans and their dependents, and the people.

Congresswoman ROGERS represents one of the neighboring districts to mine in our great Bay State. I admire her as a public servant and cherish her as a friend. She may well be proud of her sterling work in the Congress and I wholeheartedly share the sentiments expressed universally in this body that she may have many more years of effective, patriotic service and many more years of satisfaction and happiness in the knowledge of tasks sincerely approached and conscientiously and ably achieved. To my friend Mrs. ROGERS, many happy returns of the day.

KOSHARE INDIAN DANCERS

Mr. CHENOWETH. 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 Colorado?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, it is with great pleasure that I announce to the House that we have as our guests in the gallery today the nationally famous Koshare Indian Dancers of La Junta, Colo. These boys are members of Explorer Post, 2230, Boy Scouts of America.

These boys are making a 3-week trip across the country and gave a thrilling performance last night at the George Washington High School Stadium in Alexandria, Va., under the sponsorship of the Kena Shrine Temple. The boys will dance again tonight and tomorrow night. I can assure my colleagues that they put on a show that is well worth seeing, and I hope that many of you may enjoy that pleasure.

Twenty years ago this Boy Scout troop in La Junta, Colo., took up the study of Indian lore under the direction of their scoutmaster, J. F. (Buck) Burshears. No other group in America has become so proficient in the re-creation of Indian dances. These boys have Indian costumes worth thousands of dollars. They have erected a kiva in La Junta, which contains Indian relics and pictures of great value.

I am indeed happy that these boys can visit Washington and see our historic shrines. There are 39 boys in the party. I want to welcome them and Mr. Burshears and his assistant advisers. I wish the Koshare Indian Dancers continued success and a most pleasant trip.

RETIREMENT OF MIKE BUNKE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I should merely like to add my tribute to those already paid Mike Bunke, who was in charge of the telephones in the cloakroom. To my mind, his service was perfect. He never failed to be great in everything he undertook. All of us know that sometimes prompt telephone service is a matter of life and frequently means hundreds of dollars in contracts for people here and all over the country.

He was a man of great character, a great Christian. He shared our joys and our sorrows.

SPECIAL ORDERS GRANTED

Mr. PATMAN asked and was given permission to address the House for 30 minutes today following the legislative program and any special orders heretofore agreed to; and to address the House for 15 minutes tomorrow following the legislative program and any other special orders heretofore entered, and to revise and extend his remarks and include extraneous matter.

PERMISSION TO RECEIVE MESSAGES AND SIGN ENROLLED BILLS, ETC.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until tomorrow, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and found to be truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

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 a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from Massachusetts if it is proposed to hold a Saturday session? Our whip notice this morning indicated a Saturday session.

Mr. McCORMACK. If we dispose of the business on the program for tomorrow, there will be no necessity for a Saturday session.

Mr. GROSS. May I ask what is the business tomorrow—the Reserve training bill?

Mr. McCORMACK. The business tomorrow will be the conference report on the appropriation bill for the State and Justice Departments, and the Judi-

ciary; then the Military Manpower Reserve Act, and the legislative appropriation bill.

Mr. GROSS. The only point I am making is that if we cannot complete the business tomorrow, there is not much point in coming in at 11 o'clock in the morning. But if there is that possibility, that is different.

Mr. McCORMACK. I can assure the gentleman that my asking that the House come in tomorrow at 11 o'clock is with the expectation that we will complete the business tomorrow.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HARRY AGGANIS, STAR FIRST BASEMAN OF THE BOSTON RED SOX, HAS MOVED UP TO THE ELYSIAN FIELDS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, a fine, young American baseball player and a star, both on and off the diamond, has been called to the highest league of all, where human beings who played the game of life with honor find immortality in the paradise that was called the Elysian fields by his Greek ancestors.

Harry Agganis became a national football hero while playing for Boston University.

He served his country as a member of the United States Marine Corps.

After only 1 year in the minor league he won the position of first baseman on the hustling major league team that is known as the Boston Red Sox.

And then, so suddenly that the shock of which will always be remembered, this promising young athlete in the prime of life was taken from us.

The doctors in attendance tell us that he was the victim of a massive embolism.

That was the physical explanation, official, like the hits, and runs, and errors that tell us the final score of a game, but failed to reveal the courage and competitive spirit that make a man give more than his best.

From sandlot baseball, through high school and college, and into the professional ranks, Harry Agganis played hard and clean, determined to be a credit to himself and to the sport in which he excelled.

He was always in there trying, in victory or defeat.

Harry Agganis left a sick bed too soon, in order to rejoin the team that needed him.

It was characteristic that he would never admit this to others, or to himself, for when the umpire called, "play ball" Harry knew that his duty was out on the field helping his teammates with all of his skill, and effort, and enthusiasm.

Such was his courage, that was stronger than life itself.

Devoted to his mother, his church, his country, and to our national sport, he was in every way an "all American" young man.

The family home is in Lynn, Mass., which is part of the district which I represent.

Thousands of friends in his city and in his State mourn for him.

So will millions of others throughout the Nation who saw this exemplary young man play in St. Louis, Chicago, New York, and Washington or who became his fans through the medium of radio, television, and the sports columns of our newspapers.

Harry Agganis is dead, but the great heart that was his lives on in the memory of grownups who admire good sportsmanship and in the plays of his teammates.

Above all it will inspire every "little leaguer" in the country to become the good citizen and the model ballplayer that he was.

To his mother and to his brothers and sisters we offer this consolation: Harry Agganis in his few years on earth lived a life to be proud of.

TRIBUTE TO SILLIMAN EVANS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 3 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, It is hard to believe that Silliman Evans is dead. Almost more than anyone I ever knew, he has seemed to me the very embodiment of life. He was a man of the fullest vigor and joviality and warmth—a most pleasant companion, a stanch friend, a formidable enemy. Whatever he undertook to do, you could count upon his sticking to it until he succeeded, whether in the newspaper business, which was his real life's work, or in the fields of politics, aviation, and insurance, in which he made highly successful ventures at certain periods of his career.

Silliman Evans was a newspaperman from the beginning—printer's apprentice at 12, and then, for various papers, reporter, editor, political writer, and finally publisher of the Nashville Tennessean, from 1937 until his death last Saturday night. Through his life, Silliman Evans was the devoted friend of Amon G. Carter, publisher of the Fort Worth Star-Telegram, a friendship memorialized by the name of one of his two sons, Amon Carter Evans. It is sad, though fitting, that Evans should have died only a few hours after returning from the funeral of his friend Amon Carter. They were twin giants of the newspaper field in the South, and it seems more than coincidental that two such peaks should disappear from the horizon simultaneously. It will be long before the place of either can be adequately filled.

For me, as for many, the death of Silliman Evans is a deep personal loss. His wife, his two sons, his brother and sister, his granddaughter, are the central group of an enormous throng who sincerely mourn the passing of this great man.

RECENT DEVELOPMENTS IN THE JUGGLING ACT OF THE CREDIT CONTROLLERS

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I predicted on the defeat of House Resolution 210, a proposal to study the Federal Open Market Committee's role in windfall securities profits, that the stage was being set for another round of windfall profits for the big banks. I am inserting in the RECORD an article from the Wall Street Journal, Thursday, June 30, 1955, entitled "Juggling Act—Credit Controllers Gird for What May Be Their Most Complex Performance in Years."

This article seeks to explain the alleged difficulties that the Federal Reserve faces in the coming 6 months in meeting the credit requirements of an expanding economy and the needs of the United States Treasury. The reason why the task is made to seem so complex is because a rationale must be provided for the further enrichment of the bankers, monopolists, and speculators, while the farmer, the small-business man, and the laborer are put through the wringer again.

The prospective shortage of bank reserves and the scarcity of short-term securities for purchases by the Federal Reserve and others who require them, which is mentioned in the article, is a contrived shortage. It reflects the careful planning of the Federal Reserve and the Treasury. The blueprint for these shortages have been spelled out time and time again in speeches by the top Treasury and Federal Reserve officials. Both Secretary Humphrey and Under Secretary Burgess have said repeatedly since they assumed control at the Treasury that the Federal debt was overloaded with too many short-dated issues. The overriding objective has been to lengthen the maturity of the Federal debt—despite the clear-cut evidence that more liquidity was demanded by holders of these securities—not less. This policy was not a reflection of the inability of these two astute and capable officials to assess what type of issues investors wanted, rather it was necessary in order to carry out the hard money policy. The situation at present is that the Federal Open Market Committee is unable to purchase Treasury bills in the open market and thereby provide the banking system with needed reserves. As a consequence, the Treasury is more firmly in the saddle today than it was in the balmiest day before the accord bestowed independence upon the Federal Reserve. In order for the Federal Reserve to carry out its so-called bills only policy it must rely upon the Treasury to increase the supply of bills. This the Treasury is doing grudgingly and sparingly.

At this point in the RECORD I am inserting Treasury Release H-838 dated Monday, June 27, 1955:

[H-838]

TREASURY DEPARTMENT,
Washington, D. C.

The Treasury announced that as part of its current plans for raising new cash for its seasonal needs in the fiscal year beginning July 1 it will increase the weekly issue of Treasury bills to be dated July 7 by $100 million to $1,600,000,000. Tenders for these bills will be opened on Friday, July 1, because of the Monday, July 4, holiday. There are $1,501,000,000 of Treasury bills which mature on July 7.

It is expected that details of further financing will be announced during the week beginning July 4.

I wish to call attention to the fact that the Treasury is doing the reverse of what Secretary Humphrey and Under Secretary Burgess said should be done with respect to the composition of the Federal debt. The Treasury is, however, niggardly increasing the amount of the shortest term Treasury issues, 90-day bills.

Mr. Speaker, why are the banks short of reserves? The banks are short of reserves not because of any unusual increase in the demand for credit but rather because of the planned policy of the Federal Reserve to keep the banking system short of reserves, and make them come to the Federal Reserve banks to borrow when they need to meet increased demands for credit. Let me quote from the Annual Report of Board of Governors Federal Reserve System for the year 1954:

Bank reserve positions became somewhat less easy in late November and December. Reserve funds from system purchases of Treasury bills in the market and under repurchase agreements with dealers and from the year-end expansion of float, fell somewhat short of the amounts needed for a larger than usual growth in required reserves and currency in circulation. Banks found it necessary to reduce excess reserves somewhat and to increase their borrowings from reserve banks (p. 30).

This policy of keeping member banks short of reserves and in debt to the Reserve banks has not been varied in the first half of this year. The Federal Open Market Account has reduced its holdings of United States Government securities by about $1.5 billion since the end of 1954. These securities form the basis of member bank reserves. Mainly as a result of a reduction of money in circulation and a drawing down of Treasury balances at Federal Reserve banks member bank reserves were reduced only slightly. However with a prospective seasonal increase in the demand for credit and currency the banking system faces a tightening up on available reserves.

How will the money managers go about meeting this situation? There are a number of ways to do it. First, the Treasury could sell securities directly to the Federal Reserve banks. In this way member banks would be supplied with necessary reserves and the Treasury would be able to do its borrowing at a minimum interest cost and without competing with private borrowers in the market. About 90 percent of the interest which the Treasury pays to the Federal Reserve banks will be returnable.

Another way is for the Federal Open Market Committee to buy bonds or other available Treasury securities in the open market. This will supply needed reserves and will also help keep interest rates stable.

INFLATION BUGABOO

Mr. Speaker, I doubt whether either of these alternative ways of meeting the credit situation will be used. They will be rejected on the alleged grounds that they will cause inflation. The inflation bugaboo has been peddled for 3 years. Every time the bankers wanted to get another boost in interest rates they drag out the inflation sign and start waving it.

Ask the farmer whether we have inflation. The farm parity ratio is at 87 at the lowest point in the postwar. Ask the 2.5 million unemployed whether we have inflation. Ask the textile worker, the coal miner, the railroad worker, the auto worker at American Motors, at Studebaker, whether we have inflation. Ask the workers in the communications and electrical industries who are being displaced by the thousands through automation whether we have inflation. Ask the thousands of small independent businesses throughout the country whether there is too much purchasing power that is threatening to bring on inflation?

The answer you will get is that inflationary scares have been convenient excuses thought up by the credit controllers to justify policies that benefit monopolists and bankers.

Mr. Speaker, I now call attention to this third possibility of meeting the banks reserve requirements. It is included in the article from the Wall Street Journal that I have inserted in the RECORD.

Lowering reserve requirements, on the other hand, could provide ample credit; bankers figure a reduction of just 1 percentage point would free about $1 billion of bank reserves. The question here is whether it might release too much credit too generally. Says one financial man: "By lowering reserve requirements, officials would be using a blunderbuss, scattering reserves to all banks regardless of needs." (NOTE. Banks can employ excess reserves by investing in Government securities, thereby making the Treasury's borrowing task easier and cheaper.)

In view of the advantages and disadvantages of the individual methods, some bankers think a combined operation might be more suitable to the months ahead. For example, the authorities might lower reserve requirements, and at the same time raise—not lower—the 1¾-percent rediscount rate to 2 percent in order to make member bank borrowing more costly, and sell—not buy—securities in the market to mop up any excess funds.

I could not describe this more succinctly than the way in which the article describes this prospective operation:

Such is the complexity of the Reserve authorities' juggling and balancing act.

[From the Wall Street Journal of June 30, 1955]

JUGGLING ACT—CREDIT CONTROLLERS GIRD FOR WHAT MAY BE THEIR MOST COMPLEX PERFORMANCE IN YEARS

(By George E. Cruikshank)

Federal credit controllers are about to begin a gigantic juggling and balancing act which may well be their toughest in years.

In the half year starting tomorrow the policymakers in the gleaming Federal Reserve Board building on Washington's Constitution Avenue will be trying to see to it that the Nation's banks have enough funds to meet all legitimate demands for credit in a fast-expanding economy. At the same time they will be trying not to pump so much credit that inflationary pressures will get out of hand.

The Reserve authorities are not, of course, the sole determiners of the state of business and the stability of prices. The Government's budget and tax policies, the current round of wage increases and the attitudes of businessmen and consumers about economic prospects will play a big role, not to mention the possible effect of any change in the temperature of the cold war. All the same, Federal Reserve money and credit policies will influence the business pace, employment and the cost of a wide variety of consumer items from food to home furnishings.

The Federal Reserve usually has to increase credit at this time of year to supply the funds necessary to meet the seasonal upsurge in demand for loans by business, consumers and Uncle Sam. What makes the officials' task this time unusually tricky is that credit demand will be at—or near—record levels at a time when the economy is bouncing along at new highs. By way of contrast, when the Federal Reserve pumped up the money supply about this time in 1953 the business pace was beginning to turn down; by this time last year it had already slowed considerably.

UPSURGE IN LOANS

Farmers and processors normally boost their borrowings in the second half of the calendar year as they finance crop movements—everything from canning tomatoes to grinding wheat. Businessmen start borrowing to build up inventories for the fall and Christmas trade. But in the final 6 months of this year, bankers expect commercial, industrial, and agricultural loans to rise 10 percent above year-ago levels. Spending for new plants and equipment is due to go up between July and December. Consumers presumably will continue trotting to lenders' windows for the wherewithal to finance durable goods purchases such as autos, TV sets, and appliances.

And on top of all this must be piled the needs of the United States Treasury. Secretary Humphrey must borrow somewhere between $8 billion and $10 billion in cash between now and the end of the calendar year. He must also peddle new securities to replace some $20 billion of issues maturing in August and December.

The huge financing chores of the Treasury, added to the impending bulge in private demand for credit, would place a severe strain on the Nation's supply of loanable funds if the Federal Reserve did not inject new funds into the market. Money-market experts estimate the Federal Reserve must build up private commercial bank reserves by some $2 billion in the second half of this year. Such an increase in bank reserves would provide the basis for a potential increase in the money supply of $10 billion to $12 billion.

The authorities can pump out this credit in any of three ways, singly or in combination. They can buy Government securities in the open market; they can encourage

banks to increase their borrowings from the central bank; they can lower the amount of funds banks must keep in reserve to back up their deposits.

By law, member banks of the Federal Reserve System are required to keep in a Reserve bank funds equal in amount to a fixed percentage of the deposits they owe their customers. The higher the level of the reserves required the lower—in effect—the amount of loans a bank can make. By lowering the reserve requirements, therefore, the Federal Reserve Board could supply the banking system with additional reserves against which to make loans.

Federal Reserve purchases of Government securities in the open market would also boost bank reserves. The system buys the securities from a dealer, paying for them with a check. The dealer deposits the check in his bank, which sends it to a Reserve bank, which in turn credits the account of the dealer's bank with the amount of the check, thus increasing that bank's reserves and enabling it to make more loans.

The third method of supplying funds to the banks—encouraging loans to member banks—could be accomplished by lowering the charge on such loans, the so-called rediscount rate, now at 1¾ percent.

WHERE EXPERTS DIFFER

Which of these methods fits the Federal Reserve's problem of maintaining a delicate balance between adequate credit and an inflationary excess of credit in the next 6 months? It is impossible, of course, to predict what the Reserve officials actually will do; even bankers and other financial experts differ over the likely moves. But it is possible to consider some of the factors that must enter into decisions for or against the use of these tools in this kind of situation.

Cutting the rediscount rate, for example, is a tool of limited impact, because of the banks' apathy toward incurring large amounts of debt for any extended period of time. By itself it could not supply the volume of credit it is thought the Federal Reserve will want to pump out between now and the end of the year.

Some money market men see in recent Treasury announcements a suggestion that the Federal Reserve will use open market operations. On Monday night, the Treasury said it will increase its sale of 90-day bills—the securities the Federal Reserve concentrates on in its purchases—by $100 million over the regular $1.5 billion weekly "rollover" sale. This would make it easier for the Reserve officials to buy a sufficient quantity of bills to build up bank reserves substantially.

Even so, it is a question whether there would be enough short-term bills available for the Reserve authorities to buy, in view of the expectation that something like $2 billion of additional credit may be furnished. Before the Treasury announcement, banks in New York and Chicago, the big money centers, held only about $1 billion of Treasury bills out of the $19.5 billion outstanding.

FINANCIAL BLUNDERBUSS

Lowering reserve requirements, on the other hand, could provide ample credit; bankers figure a reduction of just 1 percentage point would free about $1 billion of bank reserves. The question here is whether it might release too much credit too generally. Says one financial man: "By lowering reserve requirements, officials would be using blunderbuss, scattering reserves to all banks regardless of need."

In view of the advantages and disadvantages of the individual methods, some bankers think a combined operation might be more suitable to the months ahead. For example, the authorities might lower reserve requirements, and at the same time raise—not lower—the 1¾ percent rediscount rate to 2 percent in order to make member bank borrowing more costly, and sell—not buy—securities in the market to mop up any excess funds.

Such is the complexity of the Reserve authorities' juggling and balancing act. If it is not to prove a painful flop, it will require not only skill in the weeks and months ahead, but also a certain amount of luck.

Mr. Speaker such an operation would be the greatest bonanza for the bankers and speculators in Government securities we have ever witnessed. The rediscount rate is the keystone to the whole structure of interest rates in the money market. Increase the rediscount rate and all other rates move up. Combine an increase in the rediscount rate with a policy of dumping Government's on the market and you put further pressure on the interest rate structure by depressing securities prices, thereby increasing their yields. Such a policy cannot help but also affect stock prices, mortgages, and the value of all other capital assets. This policy, if adopted, will surely set off an interest rate spiral. It will bring on a recession. It will insure that round of windfall profits predicted was being planned by stimulating wild gyrations in the prices of Treasury securities.

Mr. Speaker, the groundwork for this all-out campaign to give the lenders a second round is being carefully laid out. I call attention to the following article in the Christian Science Monitor Wednesday, June 29, 1955, entitled "Will Big Credit Demand Push Up Money Rates?" I ask that I be given permission to insert this article in the RECORD. I call attention to the statement at the end of the article:

And there are those who think the business boom needs to meet some restraint, such as higher reserve requirements or a rediscount rate rise.

Meanwhile the banks have not been idle. I ask permission to insert the following article, Banks Raise Rate on Brokers Loans, from the New York Times of June 30, 1955. Mr. Speaker, I call attention to the significance of this increase in the rate charged to brokers and dealers on loans to carry securities. The article says:

The action will not affect the rate on loans to brokers to finance margin buying by their customers.

Only the rate to brokers and dealers borrowing to buy on their own account is being increased. So it will not affect margin trading by individuals. However, it is of interest to note that this increase was seized upon by some bankers to again send up a trial balloon for increasing the so-called "prime" interest rate from its present level of 3 percent to the 3½ percent rate which kicked off the 1953 interest rate spiral.

In this connection it is well known that the New York banks have in fact been unofficially increasing their interest rate to borrowers with the highest credit ratings since early this spring. I call attention to the following article from the New York Journal of Commerce for Monday, June 27, 1955, titled: "Profits of Big Banks Head for All Time High." The author of this article, Mr. Ed Tyng, banking editor of the Journal of Commerce, points out:

Profits of the Nation's larger banks are likely to reach an all-time high for the quarter- and half-year ended June 30. An unusual combination of circumstances, mostly favorable, explains the prospectively good outlook. Here in New York half-year profits after taxes of major banks not only will set records but may exceed by as much as 10 percent corresponding 1954 figures. (Note bank profits rose 27 percent in 1954.)

The principal favorable circumstance is a sharp rise in total volume—not business loans, which have turned up only recently after a protracted slump—combined with an unusually stable lending rate which has officially not varied over the past year but which unofficially has been averaging slightly higher as banks have hiked rates on loans that could not qualify for strictly prime rating.

[From the Christian Science Monitor of June 29, 1955]

WILL BIG CREDIT DEMAND PUSH UP MONEY RATES?

(By George Ericson)

The increasing demand for credit arising from various sectors of the economy has aroused an unusual amount of guesswork as to the course of money rates. The rise in business loans, a new peak in installment financing, the increase in mortgage debt, and the amount of borrowed money going into the stock market all combine to create concern as to whether boom psychology may not be too exuberant. There are plenty of people, nevertheless, who say the economy is operating on a solid base and that the optimism of the people is justified, particularly as the free world believes war tensions to be lessening and a tentative peace possible.

That the state of business as a whole is almost too good to be true could be gathered from favorable official pronouncements out of Washington. Economists from several agencies and the executive department opined that, on the basis of figures to date, 1955 will be a record year in total national output and personal income, while living costs will be practically stable. The Federal Reserve Board stated that business borrowing—an index of economic activity—rose $1 billion in the first half of the year, a period when loans usually fall off. It said, too, that checking accounts were larger throughout the country. Why, then, are warning voices heard about the danger of the prosperity train going off the track?

OVERALL DEMAND FOR CREDIT ENORMOUS

It is perhaps trite to say the American temperament is of an ebullient order, tending to be adventurous, susceptible to optimism and prone to believe in bigger bull markets. This time the businessman, the investor, the worker, the housewife have been seeing the flowering of the world's richest economy at a time when the Communist tiger has been almost purring instead of snarling. The prospect of an end to the cold war, the belief that factories will continue humming, that wages will tend to be higher, that built-in stabilizers will prevent any serious recession, contribute to a loosening of consumer purse strings.

However, the foregoing situation makes for a huge demand for credit. And credit must at some point be restricted, otherwise inflation makes its appearance. The second half of the year is the time when the Treasury needs more billions to keep the Government functioning properly. This need is superimposed upon industrial and commercial credit requirements, which also expand in preparation for fall and winter

operations. With, say, $4 billion to be siphoned from the banking system by the Treasury Department soon, and $6 billion more later in the year, the question arises whether this can be done without making it difficult for business to get adequate credit. One way would be for the Reserve to cut reserve requirements, thereby permitting member banks to increase their lending power. Such an easing in credit, however, might be looked at as a signal for the greater use of speculative credit. Another way would be for the Treasury to increase its sale of bills. The announcement on June 27 that it was boosting its 91-day issue by $100 million may be an indication of its intention to relieve the Reserve of the necessity of reducing Reserve requirements.

STOCK CREDIT NOT INORDINATELY LARGE

Various Members of Congress have voiced apprehension as to the amount of borrowing done to purchase securities, pointing to the large increase in brokers' loans over those of a year or more ago. This total was $1,894,000,000 in the week ended June 15, 1955, against $1,073,000,000 the year before. However, the Federal Reserve Chairman, William McC. Martin, Jr., said in March that a comparison of stock-market credit with credit in other fields put the former in proper perspective. He pointed out that of the total of $200 billion increase in credit since the end of 1946 about $80 billion was in business credit, $60 billion was in urban mortgage credit, $20 billion in consumer credit, $20 billion in State and local government credit, and the balance distributed among other sectors, of which $2 billion represented the rise in loans on securities.

Despite this favorable analysis, the Federal Reserve, egged on by certain Senators and Representatives and noting an inflationary psychology, may again boost margin requirements, which at present stand at 70 percent, bringing them up to 100 percent or on a total cash basis. Such a move might dampen enthusiasm for stocks, particularly as the average yield today is just a bit over 4 percent. Further advances in the price of the higher grade issues are regarded in a number of quarters as discounting the future too far ahead. And there are those who think the business boom needs to meet some restraint, such as higher reserve requirements or a rediscount rate rise. This would be unpopular, but, considering the momentum of the uptrend, might not be too sharp a brake.

[From the New York Times of June 30, 1955]

BANKS RAISE RATE ON BROKER LOANS—COST FOR BUYING SECURITIES ON OWN ACCOUNT TO GO FROM 2¾ TO 3 PERCENT STARTING TODAY

Several leading New York banks announced yesterday that they were increasing the rate on loans to brokers and dealers to finance buying of non-Government securities for their own accounts. The present rate of 2¾ percent will be raised to 3 percent.

The action will not affect the rate on loans to brokers to finance margin buying by their customers. This rate remains at 3 percent.

Effective today the Bankers Trust Co. will raise its rate on loans to brokers and dealers on non-Government securities and effective tomorrow, Chase Manhattan, Guaranty Trust, and Irving Trust will increase their rates. Chemical Corn Exchange announced its rate would move up effective at the close of business today. Other banks, both in city and elsewhere, are expected to follow.

"The higher rate is a result of generally tighter money conditions and rising demand for loans," one banker said.

Another commented that the conditions that led to the increase could set the stage for an increase in the prime rate from its present 3-percent level. (The prime rate is charged to businesses with the best credit status. All other rates are scaled upward from the prime level.)

"If demand for loans goes up in the next couple of months as expected and the money supply tightens, the prime rate is bound to go up," one bank lending officer declared.

There is no connection between the rate on loans to brokers and dealers and the prime rate. However, when banks increase any rate, it leads to talk of an increase in the prime rate.

The prime rate was reduced from 3¼ percent in March 1954. Bankers for several weeks have been frankly discussing the possibility of an increase some time this summer.

A spokesman for the First National City Bank said yesterday there had been no change in the rate on loans to brokers and dealers as yet. J. P. Morgan announced it planned to raise the rate to 3 percent, but had not yet decided on the effective date.

[From the New York Journal of Commerce of June 27, 1955]

PROFITS OF BIG BANKS HEAD FOR ALLTIME HIGH

(By Ed Tyng)

Profits of the Nation's larger banks are likely to reach an alltime high for the quarter and half-year ended June 30. An unusual combination of circumstances, mostly favorable, explains the prospectively good outlook. Here in New York half-year profits after taxes of major banks not only will set records but may exceed by as much as 10 percent corresponding 1954 figures.

The principal favorable circumstance is a sharp rise in total loan volume—not business loans, which have turned upward only recently after a protracted slump—combined with an unusually stable lending rate which has officially not varied over the past year but which, unofficially, has been averaging slightly higher as banks have hiked rates on loans that could not qualify for strictly prime rating.

FOREIGN INCOME UP

Another key factor has been a slightly higher rate obtainable by most banks, on an average, on securities. This, however, has not made any material net contribution to earnings because volume of securities owned by banks has shrunk as demand for loans has increased.

Still another favorable influence on bank profits has been the fact that income from certain departments which normally subsist on commissions and fees, notably the foreign and the trust departments, also has been rising at a most satisfactory rate. Several banks report to this newspaper that their foreign departments have been going great guns because of expanding foreign trade financing and higher letter of credit volume.

And the corporate trust divisions of the trust departments have had a sharply increased volume of business created by increased stock market activity and new financing. Active stock markets add to the volume of shares transferred and registered and a multiplicity of new issues create expansion in trustee activities.

Virtually the only fly in the bank ointment is the still rising costs of operation, but even this has its brighter side because there has been a distinct slowdown in the rate of expense rise.

MERGERS DOING WELL

Of particular interest to bank stockholders in the semiannual bank condition reports which will begin to appear shortly will be the figures of the large New York institutions which have recently merged. Good reports are expected from the Chase Manhattan, First National City, Chemical Corn Exchange and Bankers Trust. The First National City figures will, of course, include earnings of the First National Bank assets only since the merger date at the end of the first quarter and the comparison will be with earnings of the National City organization alone for last year.

The banks which have engaged in mergers have had sufficient earnings to be able to absorb in stride the usual temporary or nonrecurrent expenses that such mergers usually involve.

LOAN VOLUME UP

As to what banks of this city will show in balance sheet items on June 30 as compared with a year ago, it will be reasonable to expect a rise of over $1.5 billion in all loans (only a small portion of the gain commercial), offset by about half by a decline in investments in securities. Loans on securities, which reflect both underwriting operations and purchases of securities on margin, may be higher by almost $1 billion. Real estate loans are up another $250 million.

On the liability side of bank statements deposits will probably be reported at levels not materially changed from a year ago.

Capital funds will show a substantial rise because of increased earnings retained in the business, plus increments of new capital obtained through sale of additional shares to stockholders. If the experience of recent weeks continues and money market conditions remain tight, it will not be improbable for some banks to end the half-year in debt to the Federal Reserve Bank.

SALES TO ESTABLISH LOSSES

Mr. Speaker, I also want to call attention to the following statement by Mr. Tyng:

Another key factor has been a slightly higher rate obtainable * * * on securities. This however, has not made any material net contribution to earnings because volume of securities owned by banks has shrunk as demand for loans increased.

Mr. Speaker, it is clear that the New York banks have been unloading their portfolios of Government securities in anticipation of the decline in Government securities prices which has become accelerated in the past few weeks. Many of them are selling to establish losses for tax purposes. The proceeds are being reinvested in higher yielding earning assets. Later when Government securities prices reach bottom and the word gets out that the Federal Open Market Committee is about to make a shift in policy the New York banks will, of course, reenter the market and buy up those securities, hold them until they recover their previous peaks and then take their capital gains. The procedure is familiar. We went through it in 1953 and 1954.

Mr. Speaker, it is a shame and a disgrace that we have to sit by and watch the manipulators turn the Government securities market into a financial roller coaster. Mr. Speaker, there is no sound reason why the Federal Open Market Committee should be permitted to use its enormous powers to benefit bankers and to allow the securities of the United States Government to be driven down far below their par price.

In the debate on House Resolution 210 on Wednesday, June 15, the esteemed Member from Virginia, my good friend Hon. HOWARD SMITH, took the floor and urged Members to oppose a study of the Federal Open Market Committee because of its probable adverse effect on the Government bond market and the value of

securities held in the portfolios of commercial banks.

Mr. Speaker, I know my good friend Judge SMITH did not mean to mislead the Members, and I know that he wants to protect his fellow bankers from any loss in the book value of their Government securities holdings, since as he pointed out, this could seriously impair their limited capitals. I am sure that Judge SMITH must have reconsidered a good deal his earlier judgment concerning the possible effect on the Government bond market of a study such as House resolution 210 proposed. At least I know I would have reconsidered if I had been in Judge SMITH's position and saw what happened to Government bond prices after the resolution was defeated.

The prices of Government bonds have declined virtually without any respite since Tuesday, June 14, the day before House resolution 210 was voted on. There have been a number of days when the markdowns have been drastic.

A comparison of the closing bid prices as quoted in the New York Times for June 14 and June 29 for fully taxable intermediate and long-term United States Treasury bonds outstanding shows the following price declines:

Price changes in U. S. Treasury intermediate and long-term bonds outstanding—June 14 and 29, 1955

[New York Times closing bid price quotations]

Bond issue	June 14	June 29	Change in bid
3's 1995	101.9	100.7	−1.2
3¼'s 1978–83	107.4	105.30	−1.6
2½'s 1967–72 (Dec.)	96.20	95.24	−.28
2½'s 1966–71	96.20	95.24	−.28
2½'s 1965–70	96.24	95.24	−1
2½'s 1964–69	96.28	95.28	−1
2½'s 1963–68	97.10	96.6	−1.4
2½'s 1962–67	98.10	97.6	−1.4
2½'s 1961	99.8	98.17	−.23
2⅛'s 1960 (Nov.)	98.10	97.23	−.19
2¼'s 1959–62	98.1	97.6	−.27

Source: New York Times closing bid quotations.

Considering that Treasury bonds never used to fluctuate outside a range of two thirty-seconds the markdowns which exceed one full point for 6 out of the 9 bond issues in just 2 weeks are quite substantial. Trading in these bonds runs into millions. Among large investors trading in blocks of a half a million dollars is considered small. So it is evident that huge profits or losses are involved in changes of as little as one thirty-second in the price of Treasury securities.

Mr. Speaker, the price declines of certain days in the past 2 weeks have been unusually sharp. This was true particularly of the price declines of Thursday, June 16, and Tuesday, June 28. Government bond prices were marked down fourteen thirty-seconds and ten thirty-seconds on those days. Why should there be such large changes in Government bond prices—without any apparent reason for the changes?

As of the close of trading on Tuesday, June 28, only 2 out of 11 of the intermediate and long-term Government bonds were quoted at or above their par price. The Victory Loan 2½'s were selling at 95¾, more than four full points below their par price.

Not only were these bonds below par but as of the same day only 3 out of the 16 issues of Treasury marketable notes were at or above their par price. The $5.1 billion of recently issued Treasury 1⅞ percent notes maturing in February 1959 were selling at 97 31/32 to yield 2.44 percent.

[From the New York Times of June 30, 1955]

U. S. Government and agency bonds

BONDS

Treasury	3:30 p. m. Bid	3:30 p. m. Asked	Change in bid
*2½s '58–56 Mar	100.7	100.9	+.1
*2¼s '59–56 Sept	99.1	99.3	−.3
2¾s '59–56 Sept	101.18	101.22	−.2
*2⅜s '59–57 Mar	99.16	99.20	−.3
*2⅜s '58 June	99.24	99.26	−.1
2¾s '63–58 June	103.0	103.8	−.8
*2½s '58 Dec	100.1	100.3	--------
*2¼s '62–59 June	97.7	97.10	−.3
*2¼s '62–59 Dec	97.6	97.9	−.3
*2½s '60 Nov	97.23	97.26	−.2
2¾s '65–60 Dec	104.28	105.4	--------
*2¾s '61 Sept	100.1	100.4	--------
*2½s '61 Nov	97.17	97.20	−.2
*2½s '67–62 June	97.6	97.10	−.4
*2½s '63 Aug	97.29	98.0	−.3
*2½s '68–63 Dec	96.6	96.10	−.6
*2½s '69–64 June	96.28	96.0	−.4
*2½s '69–64 Dec	95.28	96.0	−.4
*2½s '70–65 Mar	95.24	95.28	−.4
*2½s '71–66 Mar	95.24	95.28	−.4
*2½s '72–67 June	95.24	95.28	−.2
*2½s '72–67 Sept	95.24	95.28	−.2
*2½s '72–67 Dec	95.24	95.28	−.2
*3¼s '83–78 June	105.30	106.4	−.2
*3s '95 Feb	100.7	100.11	−.1

*Subject to Federal taxes. Figures after a period represent 32ds of a point.

TREASURY NOTES

Outstanding millions	Rate	Bid	Ask	Yield
6,853 Dec	'55. 1¾	100.1	100.3	1.54
8,471 Mar	'56. 1⅝	99.30	100.0	1.62
1,007 Apr	'56. 1½	99.24	100.0	1.50
5,709 Aug	'56. 2	100.2	100.4	1.88
550 Oct	'56. 1½	99.12	99.20	1.80
2,996 Mar	'57. 2⅛	100.31	101.1	2.25
531 Apr	'57. 1½	98.24	99.0	2.08
4,155 May	'57. 1⅝	98.31	99.1	2.15
3,792 Aug	'57. 2	99.16	99.18	2.21
824 Oct	'57. 1½	98.12	98.20	2.12
382 Apr	'58. 1½	97.28	98.4	2.20
121 Oct	'58. 1½	97.8	97.16	2.30
5,101 Feb	'59. 1⅞	97.31	98.1	2.44
118 Apr	'59. 1½	96.20	96.28	2.38
99 Oct	'59. 1½	95.28	96.4	2.46
6 Apr	'60. 1½	95.16	95.24	2.45

Mr. Speaker, the Secretary of Treasury appeared before the House Ways and Means Committee on Friday, June 24 to ask approval for a year's extension of the $6 billion increase in the public debt limit. In his statement Secretary Humphrey said:

It is also important in a situation like the present that the Federal Government itself set an example of economy and prudence.

In this regard I call attention to the fact that since last August, when the Congress first authorized a temporary increase in the Federal debt limit, interest rates on the debt have been rising. As a result the computed annual interest charge on the direct debt is now at an all-time high. Since August the increase in interest rates paid on Federal securities has raised the computed annual interest charge on the debt by more than $150 million. Unless the Federal Reserve and the Treasury halt the interest spiral that is now getting underway the interest charge on the debt will increase even more in the next 6 months. Here is an excellent opportunity for Secretary Humphrey to demonstrate that he means it when he says that "the Federal Government itself set an example of economy and prudence." He will save the taxpayers an unnecessary increase in the interest burden of the public debt. He will also save taxpayers as consumers, as businessmen, as farmers, as homebuyers from paying unnecessary increases in interest in financing their borrowing for legitimate business or consumption requirements.

STATEMENT OF SECRETARY OF THE TREASURY HUMPHREY BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS, JUNE 24, 1955

I am here today to ask your approval for a year's extension of the $6 billion temporary increase in the public debt limit. Last August the Congress authorized a temporary increase in the limit from $275 billion to $281 billion in order to give the Treasury needed elasticity in handling its seasonal borrowing problems during the year. It provided, however, that the limit would go back to $275 billion on June 30, 1955.

We have lived within those limits. The $281 billion temporary limit permitted us to do the necessary borrowing to meet the Government's bills during seasonally low tax-collection periods. Moreover, we expect to end up on June 30 with the debt around $273½ billion.

We have lived within the limits, but the basic problems are still with us. They are, in fact, even more acute this year than last. The debt stood at $270.8 billion on June 30, 1954. On June 30 this year, it is expected to be almost $3 billion higher. Thus, the Treasury will have even less elbow room to handle its seasonal borrowing needs in the months ahead under a $281 billion temporary limit than it did last year. Even more crucial will be the problem of getting the debt back to $275 billion by the close of the 1956 fiscal year.

This goal can be accomplished only with the full cooperation of the Congress in giving the most careful consideration to all budget expenditures and rejecting all requests for appropriations that are not absolutely necessary for fully adequate security for the Nation and proper services required for the people. Added expenditures or reductions in income will require further lifting of this proposed debt limit.

Nevertheless, we are currently asking for no more of an increase in the debt limit—either temporary or permanent—than the Congress authorized last year. It will be a tight squeeze but we will try to live within it.

We are setting ourselves this very difficult task for very important reasons.

In the first place, having to keep the debt within the $275 billion limit by the end of the year on June 30, 1956, may be helpful to all of us in redoubling our efforts for even greater economy in Government.

It is also important in a situation like the present that the Federal Government itself set an example of economy and prudence. We believe at this time of great prosperity that all of us—Government, business, and individuals alike—should exercise self-restraint in the use of public or private credit and the accumulation of debt.

Today, Americans are enjoying new peaks of prosperity—of employment, production, and income—setting new records all along the line. Only a year ago there was reduced activity, and false prophets were predicting that we were heading into a depression. These swings in economic activity should remind us of the need for wisdom and restraint as well as courage in both private and public affairs.

High productivity, more and better jobs, and increasingly higher standards of living for the great mass of all our people can continue if we face the future with confidence tempered with prudence.

These, then, are our goals. It is our firm intention to attempt to live under the present debt limit with this temporary extension. It is also our firm intention to have any temporary increase in debt back to the present limit of $275 billion by the end of the year on June 30, 1956. We want to do next year just what we have successfully done this year, even though it will be harder. If conditions change so that this becomes impossible, we will promptly advise the Congress. But with our present promising business and international outlook, we hope and believe we will succeed.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous matter.

Mr. DONOHUE and to include extraneous matter.

Mr. SMITH of Wisconsin and to include extraneous matter.

Mr. JARMAN to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. KELLEY of Pennsylvania and to include extraneous matter.

Mr. ROOSEVELT and to include letters and the text of a proposed bill.

Mr. MACK of Washington (at the request of Mr. TOLLEFSON) and to include extraneous matter.

Mr. HOSMER in six instances and to include extraneous matter.

Mr. CURTIS of Missouri, his remarks during debate on S. 2090; also in the CONGRESSIONAL RECORD and to include extraneous matter, notwithstanding that a newspaper item might have been printed in the RECORD heretofore.

Mr. HOPE.

Mr. DIXON in four instances, and to include extraneous matter.

Mr. JUDD and to include certain correspondence and an editorial.

Mr. ANFUSO (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. ASHLEY (at the request of Mr. McCORMACK and to include extraneous matter.

Mr. THOMPSON of New Jersey (at the request of Mr. McCORMACK) and to include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. BUCHANAN (at the request of Mr. WALTER) on account of illness.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 464. An act to authorize the Secretary of the Interior to issue patents for certain lands in Florida bordering upon Indian River; to the Committee on Interior and Insular Affairs.

S. 667. An act to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938 (52 Stat. 611), and July 1, 1902 (32 Stat. 622), as amended; to the Committee on the District of Columbia.

S. 669. An act to provide an elected mayor, city council, school board, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 756. An act to authorize the appropriation of accumulated receipts in the Federal aid to wildlife-restoration fund established by the Pittman-Robertson Act, and to authorize the expenditure of funds apportioned to a State under such act for management of wildlife areas and resources; to the Committee on Merchant Marine and Fisheries.

S. 1041. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes; to the Committee on Post Office and Civil Service.

S. 1077. An act to provide for settlement of claims for damages resulting from the disaster which occurred at Texas City, Tex., on April 16 and 17, 1947; to the Committee on the Judiciary.

S. 1292. An act to readjust postal classification on educational and cultural materials; to the Committee on Post Office and Civil Service.

S. 1792. An act to amend the Federal Employees' Group Life Insurance Act of 1954; to the Committee on Post Office and Civil Service.

S. 1849. An act to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 619. An act to provide that all United States currency shall bear the inscription "In God We Trust;"

H. R. 4853. An act to authorize the sale of certain land in Alaska to the Pacific Northern Timber Co.;

H. R. 5560. An act relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes;

H. R. 6239. An act 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;

H. R. 6367. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes;

H. R. 6795. An act 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;

H. R. 6871. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, as amended, relating to war-risk hazard and detention benefits until July 1, 1956;

H. R. 6992. An act to extend for 1 year the existing temporary increase in the public debt limit;

H. J. Res. 365. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1955; and

H. J. Res. 366. Joint resolution making temporary appropriations for the fiscal year 1956, providing for increased pay costs for the fiscal year 1955, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1718. An act to provide certain clarifying and technical amendments to the Reserve Officer Personnel Act of 1954; and

S. 2266. An act to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956.

ADJOURNMENT

Mr. MURRAY of Illinois. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Friday, July 1, 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:

949. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting its Report on Water Resources and Power, pursuant to Public Law 108, 83d Congress (H. Doc. No. 208); to the Committee on Government Operations and ordered to be printed.

950. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting a task force report on water resources and power, as prepared for the Commission's consideration, pursuant to Public Law 108, 83d Congress; to the Committee on Government Operations.

951. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting its Report on Paperwork Management, Part II; the Nation's Paperwork for the Government, pursuant to Public Law 108, 83d Congress (H. Doc. No. 207); to the Committee on Government Operations and ordered to be printed.

952. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting its final report to the Congress, pursuant to Public Law 108, 83d Congress (H. Doc. No. 209); to the Committee on Government Operations and ordered to be printed.

953. A letter from the Director, United States Information Agency, transmitting a draft of proposed legislation entitled "A bill to promote the foreign policy of the United States by amending the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.); to the Committee on Foreign Affairs.

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. HOFFMAN of Michigan: Committee on Government Operations. Part 2, Minority Views on House Joint Resolution 330. Joint resolution to provide for the acceptance and maintenance of Presidential libraries, and for other purposes; without amendment (Rept. No. 998). Referred to the Committee of the Whole House on the State of the Union.

Mr. NORRELL: Committee on Appropriations. House Joint Resolution 365. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1955; without amendment (Rept. No. 1032). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee on Appropriations. House Joint Resolution 366. Joint resolution making temporary appropriations for the fiscal year 1956, providing for increased pay costs for the fiscal year 1955, and for other purposes; without amendment (Rept. No. 1033). Referred to the Committee of the Whole House on the State of the Union.

Mr. NORRELL: Committee on Appropriations. H. R. 7117. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 1036). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 293. Resolution for consideration of H. R. 3210, a bill to authorize the State of Illinois and the Sanitary District of Chicago, under the direction of the Secretary of the Army to test, on a 3-year basis, the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, and for other purposes; without amendment (Rept. No. 1037). Referred to the House Calendar.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 482. A bill to provide for the conveyance of a portion of the former O'Reilly General Hospital, Springfield, Mo., to the State of Missouri, and for other purposes; with amendment (Rept. No. 1038). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 2889. A bill to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah; with amendment (Rept. No. 1039). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 3757. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to donate certain property to the American National Red Cross; with amendments (Rept. No. 1040). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. House Joint Resolution 276. Joint resolution to authorize the Texas Hill Country Development Foundation to convey certain land to Kerr County, Tex., and such county to convey a portion thereof to the State of Texas; with amendment (Rept. No. 1041). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 294. Resolution waiving points of order against the bill H. R. 7117, a bill making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 1042). Referred to the House Calendar.

Mr. ROONEY: Committee of conference. H. R. 5502. A bill making appropriations for the Departments of State and Justice and the Judiciary and related agencies for the fiscal year ending June 30, 1956, and for other purposes (Rept. No. 1043). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 3073. A bill for the relief of Sigfried Olsen Shipping Co.; with amendment (Rept. No. 1034). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 3373. A bill for the relief of Mrs. Zella K. Thissell; with amendment (Rept. No. 1035). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. NORRELL:

H. R. 7117. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

By Mr. HOPE:

H. R. 7118. A bill to enable the Secretary of Agriculture to facilitate the orderly development, improvement, conservation, and utilization of forests and other resources, and the products thereof, on the national forests and other lands which he administers, and for other purposes; to the Committee on Agriculture.

By Mr. BASS of Tennessee:

H. R. 7119. A bill to provide for the erection of a statue of David Crockett in the National Statuary Hall of the Capitol; to the Committee on House Administration.

By Mr. BROYHILL:

H. R. 7120. A bill to provide that the Commissioners of the District of Columbia shall take possession of and operate the Capital Transit Co. within the District of Columbia in the event of an interruption of service due to a strike or lockout; to the Committee on the District of Columbia.

By Mr. CELLER:

H. R. 7121. A bill to validate payments of mileage made to United States Army and Air Force personnel pursuant to permanent change of station orders authorizing travel by commercial aircraft, and for other purposes; to the Committee on the Judiciary.

By Mr. CRAMER:

H. R. 7122. A bill to amend the Federal Airport Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. EBERHARTER:

H. R. 7123. A bill to amend Public Law 587 by permitting the withholding by the Federal Government from wages of employees of certain taxes imposed by municipalities; to the Committee on Ways and Means.

By Mr. FERNANDEZ:

H. R. 7124. A bill to amend the act approved October 24, 1951 (65 Stat. 610); to the Committee on Post Office and Civil Service.

By Mr. MURRAY of Tennessee:

H. R. 7125. A bill to extend to June 30, 1956, the free mailing privileges granted by the act of July 12, 1950, to members of the Armed Forces of the United States; to the Committee on Post Office and Civil Service.

By Mr. PRIEST:

H. R. 7126. A bill to provide grants to assist States to meet the cost of poliomyelitis vaccination programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Mississippi:

H. R. 7127. A bill to amend the Agricultural Act of 1954; to the Committee on Agriculture.

By Mr. THOMPSON of New Jersey:

H. R. 7128. A bill to incorporate the National Music Council; to the Committee on the Judiciary.

By Mr. VANIK:

H. R. 7129. A bill to amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage from 75 cents to $1.25; to the Committee on Education and Labor.

By Mr. ELLIOTT:

H. R. 7130. A bill to provide that lock and dam No. 17 on the Black Warrior River, Ala., shall hereafter be known and designated as the John Hollis Bankhead lock and dam; to the Committee on Public Works.

By Mr. ANDREWS:

H. R. 7131. A bill to provide that lock and dam No. 17 on the black Warrior River, Ala., shall hereafter be known and designated as the John Hollis Bankhead lock and dam; to the Committee on Public Works.

By Mr. BOYKIN:

H. R. 7132. A bill to provide that lock and dam No. 17 on the Black Warrior River, Ala., shall hereafter be known and designated as the John Hollis Bankhead lock and dam; to the Committee on Public Works.

By Mr. HUDDLESTON:

H. R. 7133. A bill to provide that lock and dam No. 17 on the Black Warrior River, Ala., shall hereafter be known and designated as the John Hollis Bankhead lock and dam; to the Committee on Public Works.

By Mr. JONES of Alabama:

H. R. 7134. A bill to provide that lock and dam No. 17 on the Black Warrior River, Ala., shall hereafter be known and designated as the John Hollis Bankhead lock and dam; to the Committee on Public Works.

By Mr. RAINS:

H. R. 7135. A bill to provide that lock and dam No. 17 on the Black Warrior River, Ala., shall hereafter be known and designated as the John Hollis Bankhead lock and dam; to the Committee on Public Works.

By Mr. ROBERTS:

H. R. 7136. A bill to provide that lock and dam No. 17 on the Black Warrior River, Ala., shall hereafter be known and designated as the John Hollis Bankhead lock and dam; to the Committee on Public Works.

By Mr. SELDEN:

H. R. 7137. A bill to provide that lock and dam No. 17 on the Black Warrior River, Ala., shall hereafter be known and designated as the John Hollis Bankhead lock and dam; to the Committee on Public Works.

By Mr. GAVIN:

H. R. 7138. A bill authorizing the improvement of North Fork Creek, Red Bank Creek, and Sandy Lick Creek at and in the vicinity of Brookville, Jefferson County, Pa.; to the Committee on Public Works.

By Mr. NORRELL:

H. J. Res. 365. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1955; to the Committee on Appropriations.

By Mr. CANNON:

H. J. Res. 366. Joint resolution making temporary appropriations for the fiscal year

1956, providing for increased pay costs for the fiscal year 1955, and for other purposes; to the Committee on Appropriations.

By Mr. ANFUSO:

H. J. Res. 367. Joint resolution to establish December 15 of every year as Bill of Rights Day; to the Committee on the Judiciary.

By Mr. HERLONG:

H. Con. Res. 182. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. HEISTAND:

H. Con. Res. 183. Concurrent resolution extending the gratitude of the Congress to the Honorable Herbert Hoover; to the Committee on Government Operations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HESELTON: Resolutions of the House of Representatives, Commonwealth of Massachusetts, memorializing Congress relative to the closing of the Gurnet Point Life Saving Station; to the Committee on Merchant Marine and Fisheries.

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to the closing of the Gurnet Point Life Saving Station; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to authorize the issuance of public improvement bonds of the Territory of Hawaii without respect to the limitations imposed by the Hawaiian Organic Act or other acts of Congress, etc.; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOSCH:

H. R. 7139. A bill for the relief of Americo Isolino do Carmo Pinto; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H. R. 7140. A bill for the relief of John J. McAndrews; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 7141. A bill for the relief of Alexander and Victoria Lashkareff; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H. R. 7142. A bill for the relief of Mieko Kii; to the Committee on the Judiciary.

By Mr. OSTERTAG:

H. R. 7143. A bill for the relief of Antonio Ranalletta; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desks and referred as follows:

342. By Mr. CANFIELD: Resolution of the Veterans of Foreign Wars of the United States, State of New Jersey urging that Congress immediately take steps to appropriate enough money to place into operation 150 beds in order to transfer into the Veterans' Administration hosptal at East Orange, N. J. at least 100 of the veterans suffering from TB who have already made application or desire to do so; to the Committee on Appropriations.

343. By Mr. HORAN: Petition of 171 residents of the State of Washington that Congress exercise its powers to get alcoholic beverage advertising off the air and out of the channels of interstate commerce, and thus protect the rights of States to prevent advertising within their borders; to the Committee on Interstate and Foreign Commerce.

344. By the SPEAKER: Petition of David W. Burns and others, Springdale, W. Va., relative to requesting passage of legislation in the form of an amendment to the Federal Constitution which would leave the question of race segregation or nonsegregation in the public schools up to the States; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Hon. Margaret Chase Smith, of Maine, to the National Convention Banquet of the Reserve Officers' Association, Boston, Mass.

EXTENSION OF REMARKS

OF

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, June 30, 1955

Mr. THURMOND. Mr. President, on June 24, 1955, our esteemed colleague, the senior Senator from Maine [Mrs. SMITH], delivered a fine address to the national convention banquet of the Reserve Officers' Association at Boston, Mass. I ask unanimous consent that the address be printed in the RECORD.

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

Mr. President, officers and members of Reserve Officers' Association, and guests, I am not one gifted with ability for phrasemaking or overpowering oratory. I wish I were—because there are times when the manner in which you say something can convince your group when your mere words won't. Yes; there are times when form prevails over substance.

As the convention of your great organization closes tonight with this banquet, I wish that I could give you a stirring speech to climax the series of great addresses that have been made to you in the past few days. I am sorry to be an anticlimax.

In a way I guess I'm somewhat like Dragnet's Joe Friday, since the only way I know to speak is frankly about the facts. I hesitate to speak Reserve facts to you sophisticates on Reserve matters. In doing so, I feel like Gravel Gertie telling Marilyn Monroe how to be glamorous—or like Republicans telling Dwight Eisenhower how to win an election.

But I do want to speak to you about Reserve facts tonight. I do because I have lived daily with those facts during the past decade—ever since the end of World War II when most of you started coming back home.

For a decade now I have been fighting for Reserve measures—for realistic Reserve measures—for Reserve parity with the Regulars.

Frankly, I have enjoyed that fight not because it was pleasant—for it has been very unpleasant at times—but rather because I believed in what I was doing and I knew that I had a good cause for which to fight.

Now what I am about to say, some of you may not like. I am sure that the Pentagon will not like it. And I do not want the Pentagon to hold ROA responsible for what I say. Nor is there anything personal in what I say for I have many friends in the Pentagon and have great admiration for the job that many Pentagon leaders are doing.

Back in 1946 and 1947 I started chanting a theme that had no originality outside of Congress. But in Congress I was certainly doing a solo on that theme. And I think that it was a solo rendition, as far as the executive branch of the Federal Government was concerned.

The theme of my solo was that the only way that this country could achieve military security and economic security at the same time—the only way we could maintain the military defense made necessary by the threat of communism without spending our country into bankruptcy on defense appropriations—was through the system of the smallest possible standing Regular Force backed up by the largest and best trained Reserve we could create and keep.

I argued that in past wars it has been the Reservists—the civilian soldiers—who did more than 90 percent of the actual fighting and defense of our country. I pointed out that training a Reservist costs only a fraction of what it costs to maintain a Regular. I said that the cost mathematics were simple enough for anyone to figure it out—that a Reservist taking training only once a week obviously costs only a fraction of a Regular on duty 7 days a week.

But my theme failed to strike a responsive chord. For several years I felt like a voice crying in the Washington wilderness.

Back in 1946 and 1947 I set out to implement my words with action, and during the years I introduced and pushed for legislation to create a Reserve system that would attract and retain top caliber personnel to the Reserve. I pushed for measures to give Reserve service better pay, retirement benefits, security, death and disability coverage, promotion, training equipment, and recognition.

My legislative proposals really got kicked around and pigeonholed for a long time. Finally the light began to break through into the Pentagon, and the Reserve facts of life began to sink in those cloistered and hallowed walls so immune to Reserve thinking.

Now, most of my legislative proposals have been adopted either by action by Congress or by Executive order. I want to review with you just a few of my experiences with the Pentagon in this 10-year fight that I have been making for the Reserve and the Reservists—and, most important of all, the fight for the security of our Nation because

the Reserve has been the very backbone of our national security.

I introduced a bill to provide for inactive training pay. The Pentagon opposed it for a long time but ultimately saw the light and drafted its own bill along the same lines, got it introduced as a departmental measure, and passed. Perhaps the explanation of the Pentagon behavior pattern on this was inordinate pride of authorship. Whatever it is, it wasn't very important. What was important was that we got the inactive training pay on the statute books.

I introduced a bill to provide for Reserve retirement. Again it ran into Pentagon opposition. But then the Pentagon ultimately got up a departmental bill of its own and it was passed. Whose bill passed was not important. What was important was that a Reserve retirement system was established.

I introduced a bill to provide death and disability coverage for Reservists in that hiatus period when the shooting war had stopped but the war status had not been declared at an end—and when Reservists on training duty were not adequately covered.

What did the Pentagon do? For several weeks it failed to make a report on my bill and finally it came up with its own departmental bill which, with the exception of two minor, meaningless technical words, was verbatim with my bill the Pentagon had failed to make a report on and had thus effected a kind of pocket veto. This obviously was a case of inordinate pride of authorship.

After introducing several times a bill to give Reservists the same death and disability coverage while on training duty less than 30 days as the Regulars, I finally got one of my Reserve bills passed. It is known as the Smith Act and gives reservists parity with Regulars on death and disability incurred while on active duty training—except for disease. And I hope that a bill that Senator JOHN SPARKMAN has introduced will pass because it will cover the gap in the law on disease.

I proposed that there be created by Executive order an Army Reserve Medal just like the Naval Reserve Medal and an Army Reserve Special Commendation Ribbon just like the Naval Reserve Commendation Ribbon. But the then War Department rejected the proposal.

The reason for the rejection would be amusing if it did not so tragically reveal the then shortsightedness of the War Department. The Secretary of War vetoed the proposed Army Reserve Medal and the Army Reserve Commendation Ribbon because he said that they would foster a feeling of separation between the Reserves and the Regulars. In his rejection he said that the Navy looked upon its Reserves differently from the way the Army looked upon its Reserves. How right he was.

Having been rebuffed on proposed executive action, I tried legislative action and introduced bills to create by law Reserve Medals and Ribbons for the Army and the Air Force along the same lines as the Naval Reserve Medal and Ribbon. Again the Pentagon blocked action.

But they say that if you keep plugging long and hard enough, your patience and determination will be rewarded. And so it was with mixed satisfaction and amusement that a few years ago I read the announcement that the Pentagon had decided to establish by Executive order an Armed Forces Reserve Medal. The long fight had been won—and the weak excuse of the feeling of separation between the reservists and Regulars by such a Reserve Medal was rescinded and laid to rest as quietly as possible.

Last year, it was ROPA. You know the story on that. You know how together we got that bill passed over the opposition of the Pentagon.

This year again it has been the amendments to ROPA—a bill written by ROA and the honor given me by ROA to be the congressional sponsor of it and the opportunity to have another Smith Reserve Act in the laws. You know the disdain with which the Pentagon treated this bill.

You know the Pentagon attitude of "we didn't want this bill and so we aren't going to have anything to do with amending it." Yes, the Pentagon preferred to let ROPA operate for a year and then to be able on the basis of that year's operation come to Congress and say, "ROPA is wrong. We have proof of the inequities it works."

Reservists can thank the ROA for a different attitude—for the attitude that it did not want reservists to be made guinea pigs and convenient whipping boys for the Pentagon to be able to prove inequities. The ROA attitude was the simple, well-tested attitude of "an ounce of prevention is worth a pound of cure."

There are many other experiences I could tell you that ROA and I have worked together on—have experienced puzzling and disappointing attitudes from the Pentagon on. I have related these not to indicate what I have done—but rather to indicate a traditional attitude on the part of the Pentagon that reservists and their advocates face.

It is enough to discourage the stouthearted and stop the fainthearted. The point that I want to make is this. Reservists will always need someone to stand up for them—to stand up to this negative attitude of the Pentagon. That is why reservists need ROA so much. I hate to think of what would be the lot of reservists today were it not for ROA.

I have seen firsthand what has happened to individual reservists who stood up to the brass and fought for the Reserve. I have seen in contrast the preferential treatment given some reservists who have adopted for their own personal advancement the expediency of being Regular-minded reservists.

I do not mean to say that there hasn't been some improvement in the attitude of the Pentagon for their evidently has. But it has come slowly and begrudgingly. Perhaps it is because of the realization of the great reliance on the Reserves for our national security. Perhaps it is because I am no longer singing a solo in Congress and in Washington on my Reserve song. Perhaps it is because several in Congress and the White House have now joined the chorus with ROA and myself.

Now that the President has made the Reserve bill so much of a legislative must that he has gone over the head of Congress with an appeal to the American people, let us hope that the Pentagon will see fit to give reservists the decent treatment they deserve and that the national security demands.

In closing let me say this to you. The Reserve program will be only as good as you want to be—only as good as you make it by alert vigilance directed toward the Pentagon. You can't as individual reservists get that action.

Instead, your most effective action is group action. And to be specific, I mean your activity in the ROA. Go back home and tell your fellow reservists this. Tell them of the experiences of an individual Senator if they have any illusions about how much an individual reservist can get done by himself.

I can accomplish very little of what you ask of me. But this much I do pledge to you. I shall continue my fight for the Reserve and the reservists. I shall resist that occupational disease that so often bests one after a little service on the Armed Services Committee—the occupational disease of becoming mesmerized by the Regular brass on attitudes regarding the reservists.

I thank you for the honor you have done me tonight in choosing me as your banquet speaker. I hope I have given you something to think about. I hope that I have given you, from one Senator's view, a new and deeper realization of the importance of your organization, the ROA to you, the Reserves generally and to the national security of our country.

Defense Backs Down on News Blackout

EXTENSION OF REMARKS

OF

HON. PRICE DANIEL

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, June 30, 1955

Mr. DANIEL. Mr. President, on behalf of the senior Senator from West Virginia [Mr. KILGORE], I ask unanimous consent that a statement he has prepared regarding the reversal by the Defense Department of its position on the news blackout be printed in the CONGRESSIONAL RECORD, along with an Associated Press article relating to that subject.

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

STATEMENT BY SENATOR KILGORE

I am interested to see that a reversal has been issued by the Defense Department as a result of the deluge of criticism in the Nation's press concerning the news blackout that the Department proposed to clamp down on newsmen.

I called attention to this development in a speech I delivered on April 30 in Huntington, W. Va. The Department had said that the new order on military information issued March 29 set up a new concept of news holding that information "must constitute a constructive contribution" to the Department's mission. In my April 30 speech, I questioned the propriety of the Department deciding what does or does not constitute "a constructive contribution" and I warned that news to which the public was entitled might be hidden merely by being labeled "not constructive."

In yesterday's Washington Evening Star I read a news article by the Associated Press noting that the Defense Department has been forced to reverse this drastic order. Robert T. Ross, Assistant Secretary for Public Affairs, is quoted as saying, "In providing information in answer to questions by the press or the public, it would be my view that we would not pass on whether or not it was 'constructive' to the primary mission of the Department of Defense." The article also said Mr. Ross has announced that statements about requiring information to be constructive applied only to the Department's own public-relations personnel.

I note with satisfaction that the Defense Department has thus been forced to back down, at least orally, in its efforts to withhold legitimate news from the public. I commend the Nation's press for being so vigilant in defending the freedom of the press.

I hope the Department will, in fact, carry out its intentions, as expressed by Mr. Ross, both in letter and in spirit. However, I also hope that the Nation's newspapers will continue to be vigilant and keep a sharp eye on

Government departments which try to institute any form of censorship under any guise whatsoever.

[From the Washington Evening Star of June 29, 1955]

PENTAGON NEWS CURB EXPLAINED

A Defense Department spokesman says statements about information having to be useful, interesting, or constructive applied only to that originated by its own public relations men.

It did not mean to imply that those criteria would have to be met before the Department would answer questions from the press or the public, Robert T. Ross, Assistant Secretary for Public Affairs, said yesterday.

Protests arose when Defense Secretary Wilson issued a directive March 29 saying that information must be constructive to the mission of the Defense Department.

J. R. Wiggins, executive editor of the Washington Post and Times Herald, and chairman of the freedom of information committee of the American Society of Newspaper Editors, and others charged that the Pentagon's information policies would enable officials to cover up their own errors.

When reporters asked Mr. Ross yesterday about the intent of Mr. Wilson's directive, Mr. Ross replied:

"In providing information in answer to questions by the press or the public, it would be my view that we would not pass on whether or not it was constructive to the primary mission of the Department of Defense."

Mr. Ross also wrote Senator CURTIS, Republican, of Nebraska, yesterday that when R. Karl Honaman, the Department's security expert, said he thought the requirements of being useful and interesting should be used as a yardstick in releasing information he meant only information originated by the Department's public relations offices.

Senator CURTIS had written Mr. Ross the day before inquiring about the remarks which Mr. Honaman had made in a letter to Mr. Wiggins.

Bananas on Pikes Peak or Good Land in Alabama?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. HOSMER. Mr. Speaker, the Department of Agriculture reports there are more than 20 million acres of undeveloped fertile land in the humid areas of the United States which can be developed by low-cost drainage.

Of this total, Alabama has more than 683,000 acres waiting to be brought into agricultural production—when and if needed.

The cost would be from $60 to $100 an acre.

But, it would cost the taxpayers of the Nation at least 50 times as much for each acre developed in the proposed multibillion dollar upper Colorado River project.

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

Lake Mead and Conservationists

EXTENSION OF REMARKS

OF

HON. HENRY ALDOUS DIXON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. DIXON. Mr. Speaker, recently the gentleman from Pennsylvania [Mr. SAYLOR] mailed to all congressional offices a statement he made on Lake Mead. When I read the statement that Lake Mead has nothing whatsoever to offer visitors, I could hardly believe my eyes. To me and to hundreds of my friends, Lake Mead is one of the most fascinating spots in the entire West.

If Lake Mead has "nothing whatsoever to offer visitors," then if one judges by the number of visitors who spend their time at Lake Mead, Yellowstone Park would rank very low on our points of national interest. Lake Mead in 1954 had 2,112,724 visitors; that same year Yellowstone Park had 1,328,858 visitors, or about half the attraction that Lake Mead held for visitors, according to the Statistics Division of the National Park Service.

Mr. SAYLOR then took one example of reclamation, as he has done on numerous occasions, and proceeded to inflate it into a condemnation of all reclamation projects. I am well aware of Mr. SAYLOR's attitude and opinions on reclamation as they apply to the upper Colorado, but I was surprised to find that he is apparently opposed to all "reclamation enthusiasts" who are "determined to improve upon nature." He noted that this "determination" in some places has resulted in a "desolate, swampy scene punctuated by scattered stumps of once-proud trees."

Mr. SAYLOR might also be interested in the "desolate swampy scenes" and the "mud flats" left in the basin of the uncontrolled Colorado when this untamed river fluctuates from year to year in its annual flow. He might also be interested in the thousands of tons of soil that is annually cut from beneath the "verdant growth" of the trees and foliage in the upper basin and carried by the uncontrolled Colorado River to silt up the Lake Mead area, and thus shorten the life of this lower basin control of the Colorado.

Mr. SAYLOR in his enthusiasm to attack reclamation, at least as it applies to the arid regions of the upper Colorado, has overlooked the basic purpose of the program. The term itself stems from "reclaim"—to make usable again. There are undoubtedly small areas of land covered by the impounding of waters for reclamation use, but for every acre of land so covered there are hundreds of acres made usable by the process of removing the water from the stream bed and placing it on the land where "the fragrance of blossoming foliage and verdant growth," as Mr. SAYLOR phrased it, is made possible on the arid soil. The fragrance of the orange groves, the verdant growth in the fields and the thousands of acres of cotton in southern California are a tribute to what can be done by the "reclamation enthusiasts determined to improve on nature."

The region of the West that I come from is beautiful. It was beautiful when the first Mormon pioneers entered it, but I suppose we would come under Mr. SAYLOR's definition of "reclamation enthusiasts determined to improve on nature," because we tried to do just that, we tried to improve on nature. We took nature's arid deserts and added life-giving water, and we produced fertile fields and life-sustaining crops and cities and towns in which people may live and prosper. This is also true of California, and especially the region of California that is in such solid agreement with Mr. SAYLOR and his views of the upper Colorado project. The phenomenal growth of this region has been a direct result of their ability to "improve upon nature," to utilize the waters of the streams and the rivers—part of which flow from the upper basin of the Colorado—to place the good, but dry soil into use.

Undoubtedly there are some small acreages behind the dams that impound the water that are taken out of production. But even this area is not taken out of circulation for public use, because these dams and reservoirs offer to us, and to all of the visitors who tour our country, excellent recreational opportunities and in many cases the finest fishing possible. This, I might point out, is true of Lake Mead, although Mr. SAYLOR makes reference to Lake Mead as a spot that "has nothing whatsoever to offer visitors."

Lake Mead has become a mecca for sportsmen from all parts of the West. It is a recreation area in which millions of Americans annually can, and do, enjoy the use of an area which, unless we had "tried to improve upon nature," would still be inhabited by cactus, mesquite, and lizards.

Mr. SAYLOR might be interested in the number of visitors who last year visited Dinosaur National Monument, whose beauties he so frequently and so lyrically extolls, as compared to what he calls the "mud flats of Lake Mead." Dinosaur in 1954 had 70,652; Lake Mead has, as I have previously noted, 2,112,724.

We of the West would like to have more people visit Dinosaur and all of our beautiful national parks and monuments, but we feel we could make them much more attractive if we can utilize our rivers and our water, as some of our water has been so well utilized in the lower basin. Our great neighbor States of Nevada and Arizona have created a wonderful recreation area in Lake Mead with over 2 million visitors in 1 year, and this figure seems to indicate that they "have some-

thing to offer." The waters impounded to create this vast recreation area are fully utilized to bring into production fields and trees and areas of beauty in Southern California. Mr. Speaker, we only ask that we too be allowed to do the same thing with our share of the waters of the Colorado.

Defense of Free Enterprise

EXTENSION OF REMARKS

OF

HON. EDWARD J. THYE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Thursday, June 30, 1955

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an excellent address made by the Senator from Arizona [Mr. GOLDWATER] in Minneapolis last evening.

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

DEFENSE OF FREE ENTERPRISE

(Address of Senator BARRY GOLDWATER, of Arizona, before the Minnesota Retail Federation, Inc., Minneapolis, Minn., June 29, 1955)

I have not been long in political life, but the short time I have spent in Washington representing the great State of Arizona has been a liberal education for me. It has given me a much better insight into national affairs, both political and businesswise. One cannot help having a deep sense of pride in playing even a small part in a system that has done so much for mankind. The courage of our forefathers in launching a new and untried system is beyond the power of mere words to express. Our difficulties in deciding what is best for the Nation, after our system has been in operation almost 200 years, must seem insignificant when considering what our forefathers went through in establishing the system. We owe these great men a debt of gratitude that can be repaid only by diligently preserving the system against all of the "isms" and radical changes that would slowly but surely destroy it.

My service in the Senate has given me a deeper appreciation of our American system, but has also created a little sense of fear at times when I hear people advocate things that I believe will ultimately destroy our free-enterprise system and, yes, our present political system, too. The approach they use is the thing that frightens me. Their very methods would tend to destroy confidence in our system. Business, and in particular big business, becomes their whipping boy. Wall Street, used to symbolize big business, is set up as the bogey to be destroyed. All of this is done under the guise of championing the little fellow. Much has been said that would accuse this administration of being a businessman's administration, in that way hoping to further some political careers by convincing the voters that everything the administration does is designed to favor some big special group of individuals far removed from the common man.

Now, I am accused of being reactionary because I defend our American business system from their political onslaughts, and I would like to make my position crystal clear. I do not defend business simply because it is business—I will fight for the rights of the so-called common man just as quickly as for those of the business executive. I am not for the American free enterprise system simply because it is American; I am for it because it provides the greatest freedom and opportunity for all people, both rich and poor, both worker and executive, regardless of race, color or creed, of any system yet devised by man.

No, I am not the reactionary. I realize that times change and that ways and means of doing things change with the times. We must always continue to progress forward—not backward. As much as one may revere our Constitution, one must realize that our forefathers, as remarkable as they were, were not infallible. They could not look into the future and design a document that would meet all of the necessities of future generations. But their accomplishment has been proven over the years to be so remarkably correct that it would not be changed without deep thought and due deliberation on the part of all of the people. It should not be flouted by executive fiat or circumscribed by congressional acts. When it proves inadequate or needs amending in the common interest, it should be amended as prescribed by the Constitution.

I am one who does not want to go back to the ways of the 19th century or even to the 1920's or 1930's. I do not want to go back to the 16th or 17th century either, or to the backward ways of so many countries both inside and outside of the Iron Curtain today. I am a true progressive—I want to go forward—and I want to go forward with a proven system, our free enterprise system, the only progressive system in the world today.

The reactionaries are those who either naively or otherwise want big central government run by bureaus and bureaucrats to determine what is best for us. The reactionaries want the Government to do for its citizens what those citizens are well able to do for themselves. They want the Government to enter the proprietary business field to furnish fictitious yardsticks as a measure against our American business methods. They want the Federal Government to hold onto its monopoly in atomic energy for peaceful purposes simply because tax dollars went into the development of it for national defense purposes—something for which we have been well repaid. They would have us reduce all business to small one-horse establishments. They want the Government to grant such power to labor leaders as will enable them not only to maintain an iron grip on their members but force millions of other free Americans under their jurisdiction. They are the ones who would again yoke us with big central government, a yoke that our forefathers threw off almost 200 years ago. They are the ones who through more and more central government, through more dependence upon government, would drag us down to the level of so many other countries in the world today whose people have to depend on a planned economy through big central government.

I do not fear business, we can regulate that—I fear big central Government which we cannot regulate.

Since being in Washington I have become alerted to a lot of things that never entered my mind before. Before going there I felt that all was not quite well, but I did not know that we had gone as far as we have down the road of big government. When anyone dares raise his voice against the bureaus or big government in defense of business, he is charged with being against the masses. Well, who are the masses, anyhow, but free-born American people who love their freedom and their rights and opportunities to get ahead? Are you against the American people when you defend business? What is business, anyhow, but the American people? It is a way American people have of getting things done.

From some of the attacks made on business one would think it was some foreign enemy—a vampire—extracting its pound of flesh and sucking the lifeblood of the little man. Do we, the American people, not realize that business is comprised of four equally important elements: the financiers, stockholders and bondowners who risk capital on the venture; the management team who are employees, more often than not owning little or no stock, selected for their ability to operate successfully; the general run of employees, workmen and foremen, who through their skills operate the machines and produce the products; and the consumers who, through purchase of products or services, support the operation. These four elements are the American people—the rich and the poor, the young and the old of all races, creed, and color.

Let's have a little closer look at these four elements of business.

Are the financiers a few rich people, drones who produce nothing and live off the sweat of others? Well, maybe some of them are, but the majority are people like you and me who have worked hard, saved a little money for a rainy day, and have it invested, working for us in a business we have confidence in. We may be an employee of the business or we may have saved our money from some other endeavor. Or we may not own any stocks or bonds as such but our insurance money, which protects ourselves or our family against misfortune or the pension fund we hope to enjoy when a rest from toil has been earned, is invested in those stocks and bonds.

Now who are these aristocrats called management? Are they a few people raised with silver spoons in their mouths who fell into some soft job which provides them with an unlimited amount of the peoples' money to throw away on luxurious living? Most of them started at the bottom, worked hard, studied their work, loved their job, had confidence in their ability, and worked up into the management circle. Their function is to plan and supervise the production of the product, merchandise it at a profit and see that the stockholders, the employees, and the consumers participate in their fair share of those profits.

Who are these general run of employees? Are they the masses of downtrodden people so many crocodile tears are shed over? Certainly not. They are free-born American people who apply their skills to the operation of the machines the money of others has provided to produce the products management believes will be acceptable to the consumer and profitable to the business. They are the people who can rise to the top and help manage the business if they are willing to apply themselves and work hard enough toward that end. They are the ones who can save their money, buy some of the stock and enter that large circle of owners of American industries. They are the ones who earn a wage that enables them to maintain the highest standard of living of any craftsmen in the world and enjoy a retirement pension for a job well done when they have raised their family and reached that age in life when their labor is no longer required to maintain our production schedules.

Who are the consumers? Are they people upon whom these American businesses thrive by exacting an exorbitant toll? No, they are just you and I who spend our dollars where we please and demand value received. We are the ones who can select the particular business firm we wish to patronize or the one in which we wish to become a part

owner by purchase of its stocks. We are the ones to whom business must answer if it expects to remain in operation through our dollars.

When these reactionaries who want to take us back into the 19th century by breaking up our industries, or who advocate our adoption of some of the foreign 'isms" that are now retarding progress in so many nations of the world, open their big guns on the progressive policies of this Administration, they accuse it of favoring "big business" or lending support to Wall Street. Here we have again the un-American act of creating class hatred. An attempt to pit the little fellow against the big. The words "trust" and "monopoly" are bandied about without any attempt at application of their true definition. These words are used because you and I hate trusts and monopolies. This approach is an insult to the intelligence of the American people. Their hope is that there will be enough of us who let others do our thinking for us to accept such prejudiced propaganda, come into the camp of these disciples of doom and gloom and support them with the power of our votes.

When we refer to big business what are we thinking of? To some, whose votes are just as big and as important as yours and mine, the large local department store or the local factory employing a few people is big business. When these reactionaries talk against big business at least to some people they are talking against the very type of businesses these crusaders against big business contend to champion. In fact, their actions tend to undermine all business.

Most of us think of big business in terms of the General Motors, the General Electric, the United States Steel Corp., Westinghouse, etc. Do we ever stop to think that in 99 cases out of 100 the bigger the business the wider the ownership—the greater the number of American people dependent upon it for income, for future security from insurance or pension funds? Do we ever stop to think that practically every convenience and necessity we have today or will have in the future—the automobile, refrigerator, television, radio, cheap electric service, and thousands of other things we now accept as a matter of fact—result from years of experimental work requiring millions of dollars to develop? Do we stop to think of the millions of dollars required for plant investment to bring us these things at today's prices? We know that individuals or small companies under 2- or 3-man ownership would not or could not spend the millions of dollars required to develop or manufacture these things at present-day prices. If it had not been for large corporations with technical staffs and financing capable of developing and producing these things, many things now considered common necessities around the home would never have been produced, and those that were would still be luxuries far beyond the reach of the ordinary home.

Suppose instead of a few large automobile manufacturers we had a thousand or two small ones making cars by hand or by limited methods. What kind of cars do you think we would have today and how many of us do you think could afford one? Do these dispensers of hatred against big business who claim to champion the little fellow want to break up the large operators and go back to the type of business operations that would deprive the little fellow of his automobile and hundreds of other things he can afford under our present system? Or do they want the Government to get into the business of producing these things as they do in Russia so that only the politically favored could have them?

When the disciples of big central government and the welfare state really want to attack something they tie it in with Wall Street. We saw that in the Mississippi Valley Generating Co. negotiations. The opponents called it the Dixon-Yates contract right off the bat and identified these two gentlemen as a couple of Wall Street sharpies trying to get their hands in the Federal till.

If we follow these people we would believe that Wall Street is comprised of a few wealthy individuals looking down on the rest of us through glass eyes never missing an opportunity of grabbing our loose dollars or waiting to lend us a few dollars provided they get our eyeteeth as security.

Just what is Wall Street anyhow? Is it something to be despised? Is it some evil that has been injected into this country's economic system? Let's, without emotion, analyze the situation. Our competitive system, a system that has certainly been successful, is dependent upon investments and borrowing—dealing in large sums of money. It is nothing uncommon for our businesses, in order to maintain high productive ability, to borrow large sums of money—millions, yes, even hundreds of millions of dollars. Now where are they going to get that kind of money except from large money centers? What position would business be in when it needed several millions of dollars, if it had to peddle its borrowings to numerous banks, maybe located in several different States? How long do you think it would take to negotiate such loans if they had to be personally justified before and investigated by numerous different banking institutions? On the other hand we have large businesses handling our money in the form of insurance, pension funds, etc. Suppose those companies had to peddle all of that money out in small and scattered loans, what would the cost of servicing such loans be, assuming they were properly investigated?

Then getting down to the personal angle, once in a while some of us have a few dollars to put away for a rainy day or to take care of us in our old age and we want those dollars to work for us—not just lie idle. If we had to lend the money out ourselves, how would we go about it, remembering that most of us have our time fully occupied in running our own business? Would we sit down and write to various companies over the country asking them all about the company and if they had a few shares of stock to sell? No; most of us would be restricted to local loans.

As it is we can pick up the telephone and call a stock broker or a bond dealer and have them buy for us 1 or 1,000 shares in the company of our choosing. This service is performed at a very nominal fee. It permits millions of Americans to participate in the ownership of America's business and at the same time provides a way for business to expand, developing new and better products within the financial reach of most of our American citizens.

Wall Street happens to symbolize one of these money centers—still the principal one but yearly losing ground to others—that provides our businesses both lending and borrowing and us as individuals with this service which has made it possible for this Nation to become by far the largest producer in the world and at the same time to distribute ownership in this production to millions of individuals. What do these reactionaries, who let no opportunity go by to use Wall Street as a whipping boy, want us to do anyway? If their words do not belie their desires they want to destroy Wall Street and I assume our other large financial centers as well and go back to the horse and buggy days of yesteryear with all of our businesses small and under individual or closely held ownership.

To be sure, any institution that is lending other people's money and any business that is going to the general public through sale of stocks and bonds for financing should have to live up to a certain standard of ethics. Human nature being what it is, the only way to insure that all businesses meet the desired standard is by some public regulations. But there is a lot of difference between adequate and proper regulation and the iron hand of central government.

It is distressing to hear, when additional revenues are needed, advocation of pouring it on business. Business is now paying 52 cents out of every profit dollar in Federal income tax. Just how big a percentage of the profits can be taken in Federal income tax and still leave enough to permit expansion of business and attraction of investment capital? Those who pour it on business call themselves the "percolate-uppers" and we, who recognize the fact that business can be destroyed by taxation—are called the "trickle-downers."

Where do these "percolate-uppers" think the workingman gets his income from except from his participation in our American business system? If you stymie it by overtaxation, where is it going to get the money for expansion and development of new products? Only through continued business expansion and prosperity can we support our existing working force and provide work for new additions to that working force each year. What have the "percolate-uppers" done for the little fellow if they raise his exemptions to one or two thousand dollars or cut out his income tax altogether, if his earnings are so reduced by this action that he no longer has a job or a living wage, or if the action turns out to be inflationary and wipes out his tax savings? Just break the back of business and there will be no "percolate-up" or "trickle-down."

I do not like calling names or trying to play on the emotions of people with words that are misapplied or meaningless, but since it seems that we do have some words to contend with I would like to give my definition of two that are used most frequently politically.

The progressive stands to preserve our American free enterprise system and go forward to bigger and better things—a more abundant living—with each segment of that system, labor, management, the investor and consumer making his proper contribution and reaping his fair share of the rewards.

The reactionary wants either to break up this business system—and our American system is big—and go back to the days of individual or closely held ownership, or to big central government which has proven the downfall of nations of old and is slowly but surely deteriorating the nations under that type of government today. Whether that is what the "New Dealers" and Fair Dealers, the Do-Gooders and those seeking personal political power and special privileges say they want or not that is what their ideology and actions would lead us into—down a road from which no nation has yet returned.

My faith and trust in the good judgment of the American people assures me that we can safely leave to them the decision of which road to follow.

Bananas on Pikes Peak?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. HOSMER. Mr. Speaker, according to the Bureau of Reclamation, the

proposed Woody Creek irrigation project in Colorado would grow more supported crops to be added to the enormous agricultural surpluses now bulging the Nation's warehouses.

The Woody Creek project is a part of the multibillion dollar upper Colorado River project.

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

Results of the 1955 Questionnaire

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. THOMPSON of New Jersey. Mr. Speaker, one of the most important and most difficult jobs facing anyone elected to sit in this great House is how best to represent the views of those who have elected him. Many of us have found that one of the most useful tools in solving this problem is the public-opinion questionnaire mailed to our constituents. I have just completed tabulating the results of a poll I made earlier this year. The response was most gratifying and is a clear indication of the very real interest citizens of this Nation take in the affairs of government. The results were also gratifying to me as they show a clear belief in a liberal political philosophy and this liberalism is the back bone of the democratic tradition. The questions and the answers in tabulated form follow:

1. Do you favor the deepening of the Delaware River Channel to Trenton? Yes, 680; no, 69.

2. Do you favor the administration's policy of requiring local contributions toward the cost of the channel, or do you believe the national economy and defense make the deepening project the sole responsiblity of the Federal Government? Local contributions, 188; Federal responsibility, 484.

3. Do you agree with Attorney General Brownell who proposes the legalization of tapping private telephone wires? Yes, 221; no, 501.

4. Do you favor the President's proposed $101 billion program for the construction and improvement of the Nation's highways to be paid by such means as toll roads? Yes, 490; no, 215.

5. Do you believe the present 75 cents per hour minimum wage should be increased to 90 cents per hour, 150; $1.15, 136; $1.25, 268; $1.35, 107; not at all, 69.

6. In view of the present world crisis, as well as budgetary considerations, do you believe that the proposed cut in the size of the Army is proper? Yes, 198; no, 502.

Present immigration law operates against immigrants from southern Europe and other parts of the world. Do you believe this law should be changed to allow entry on a more equal basis? Yes, 501; no, 259.

8. Do you favor continued United States support of the various health, educational, and technical assistance programs of the United Nations? Yes, 590; no, 125.

9. Do you believe that Congress should increase the pay of postal and other Government employees? Yes, 480; no, 110.

10. Do you favor granting statehood now to—

Alaska: Yes, 630; no, 64.

Hawaii: Yes, 604; no, 69.

11. Do you favor the Federal Government's providing direct assistance to the States for school construction? Yes, 590; no, 116.

12. Do you believe that the United States should undertake to defend Quemoy and Matsu Islands even at the risk of war? Yes, 249; no, 439.

Do you consider yourself: Republican, 165; Democratic, 376; independent, 166.

Bill of Rights Day

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. ANFUSO. Mr. Speaker, I am introducing a joint resolution to designate December 15 of each year as Bill of Rights Day. Ratification of the Bill of Rights originally took place on December 15, 1791. This year we shall celebrate the 164th anniversary of this historic event.

The Bill of Rights, which encompasses the first 10 amendments to the United States Constitution, guarantees to the American people our fundamental freedoms: Freedom of religion, freedom of speech and press, freedom of peaceful assembly, and the freedom to petition for redress of grievances. The preservation of these constitutional guaranties and privileges from which all American citizens benefit can best be achieved through eternal vigilance and a fuller appreciation of the true meaning of these American rights and principles.

Only through a fuller knowledge and understanding of these rights by the American people throughout the length and breadth of our country can they act with courage and determination, in unity and in strength, to uphold these rights and safeguard them from being distorted and destroyed.

Mr. Speaker, my resolution authorizes the President of the United States to issue annually a proclamation setting aside December 15th as an occasion for public celebration, calling upon officials of the Government to display the flag of our country on all public buildings, and inviting the people of the United States to observe the day with appropriate ceremonies.

I suggest that the first of these annual proclamations be issued beginning with 1955 and that the event be celebrated on a nationwide scale. In order to have sufficient time to make the neecssary preparations, I urge the Congress to give my resolution early consideration and prompt approval.

National Forest Timber Management Bill

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. HOPE. Mr. Speaker, during the 83d Congress when I served as chairman of the House Committee on Agriculture, my attention was called to problems in connection with the management of national forest timber by the Comptroller General's Report of Investigation of Sale of Government-Owned Timber and by comments of the House Appropriations Committee in its report on the Department of Agriculture appropriation bill for fiscal year 1954.

The management and sale of timber on the national forests is one of the principal activities of the Forest Service. In recent years the volume cut has greatly increased as have receipts from this timber. The Treasury now receives more than $70 million in revenue annually from national forest timber sales. This important and sizable activity is carried on under the general authority of the act of June 4, 1897, as amended.

After further study and consultation with experts in this field, it is my opinion that legislation is advisable to modernize and improve the laws governing these activities in order more adequately to protect the interest of both the United States and national forest timber purchasers. The bill (H. R. 7118) which I am introducing today has been prepared for this purpose. This bill would revise, modernize, and consolidate authority for timber management on all national forest lands, including both those proclaimed from the public domain, and those acquired by purchase, exchange, or donation. Existing authority for national forest timber management is contained primarily in the act of June 4, 1897—16 U. S. C. 476—which has been amended to only a minor degree in the intervening years. My bill would repeal part of this statute and replace it with a systematic statute fitted to present-day conditions. Included also in the statutes which would be repealed is the portion of the act of August 10, 1912, as set forth in section 489 of the United States Code which provides for sale of timber at cost to homestead settlers and farmers for their domestic use.

This bill is the first comprehensive revision of laws for conduct of timber management activities on the national forests. It is significant that the need for such revision has not heretofore developed. Seldom has so much activity been conducted under a general statute for over half a century without need for substantial revision of its provisions. The act of June 4, 1897, is still basically sound. My bill is not for the purpose of upsetting the wise provisions of that act which have formed the basis for 50 years

of successful administration of the national forests by the Forest Service. Many of the provisions of portions of the act of June 4, 1897—16 U. S. Code 476—are restated in my bill.

The act of June 4, 1897, was drafted before the Federal Government had experience in the conduct of sale of timber from the forest reserves, as the national forests were then termed. Today 6 billion board feet annually are being harvested. In my opinion the work of the forest service will be facilitated now by reenactment of these well-established principles in language suited to present conditions and with modification and adjustment of operating provisions and needed new authorities in the light of 50 years of experience.

This national forest timber management bill is applicable not only to the national forests, but also to other land administered by the Forest Service. Lands acquired under title III of the Bankhead-Jones Act have now been placed by the Secretary of Agriculture under administration of the Forest Service. In the interest of simplicity and avoidance of confusion, the timber resources of such lands should be subject to the same basic laws. Also, some forest experimental areas and minor miscellaneous tracts are under the administration of the Forest Service and should be subject to the same laws in respect to their timber management.

My bill provides a statement of policy by the Congress for the timber management of these properties. No comparable statement has heretofore been considered by the Congress. The statement provides for the application of coordinated use and conservation of all resources of these lands. For timber management the objectives are: First, to grow maximum crops of the best suited timber on such areas; second, to get full timber utilization consistent with stabilization of communities and with consideration of size of timber offerings to suit purchasers of different financial and operating capacities; third, to obtain at least fair market value for all timber sold from these lands; fourth, to grow and harvest timber in accordance with sustained yield management principles.

The policy statement also recognizes that in order to accomplish these objectives it is necessary to have (a) an adequate system of timber-access roads; (b) adequate measures against loss from fire, insects, disease, and windthrow; and (c) suitably located and efficient timber processing facilities.

My bill authorizes the sale of timber under terms and conditions appropriate to further these policies and objectives. Provision for advertisements and bidding are prescribed. These requirements substantially restate existing law with minor modifications designed to facilitate the work of the Forest Service and service to timber purchasers in the light of administrative experience in recent years. Provisions are also prescribed for the cutting of timber to meet special purposes; cutting to remove deteriorating or other undesirable timber growth; cutting without charge such as for improvements of value in the administration of these lands and for relief work conducted by public agencies; and cutting necessary in connection with authorized use of the lands, such as clearing for a road or dam site. All of these special-purpose cuttings are now authorized by regulations of the Secretary of Agriculture.

All sales of timber under this bill would be at not less than fair market value as determined by the Secretary of Agriculture after giving consideration to specific factors affecting such value. The Secretary would be authorized as a condition of sale first, to adjust rates of value for timber at specified times in conformity with his determination of fair-market value at such times; second, to adjust rates of timber value to obtain salvage action in emergencies through his determination of fair-market value under the changed conditions arising out of the emergencies; third, to make cutting and removal optional for specified areas or specified timber; fourth, to require purchasers to perform such road maintenance as is made necessary by their use, and to repair damages to land, vegetation, and improvements and to abate insect and disease hazards resulting from their activities; or to make deposits in lieu of such work of the estimated costs to the United States of performing such work.

Timber access roads are now of great importance in orderly harvesting of timber under sustained yield management principles. There is no specific legislation governing construction and maintenance of such roads by timber purchasers. A section in this bill makes several new provisions to improve administration of this important activity. The bill authorizes construction of timber access roads which will permit maximum economy in harvesting timber from all lands to which the bill is applicable tributary to such roads either with appropriated funds, by requirements of purchasers in timber sale contracts, or by cooperation with public or private agencies. Provisions are made for payment of fees for hauling nonfederally owned timber over such roads and for deposits to cover the costs of maintenance occasioned by such hauling. To facilitate access to and across private land, the bill authorizes granting of right-of-way easements to owners of private property in the vicinity across the lands covered by this bill. Provision is also made for a system of selling timber under which stumpage rates are adjusted to give equitable recognition of the value of the timber access roads constructed by the purchaser as determined by the Government and the volume of timber which is finally cut by the purchaser.

Deposits from timber purchasers or users of timber access roads as provided in the bill would be covered into the Treasury as special funds and made available until expended to cover the costs of performing the work specified. Deposits which are found to be in excess of needs would be transferred to miscellaneous receipts. Certain provisions for consolidation of deposits in the same work unit and for determining of costs by estimate on the basis of costs analyses would be authorized in the interest of practical and efficient work performance. These arrangements are comparable to those authorized for other work of the Forest Service by the terms of the Granger-Thye Act of April 24, 1950—64 Statutes 82.

Transfer and assignments of timber-sale contracts would be authorized notwithstanding the provisions of section 3477 or 3737 of the Revised Statutes.

Modification of timber contracts entered into prior to enactment of this bill to provide for exercising the authority granted by the bill are not to be deemed contrary to the interest of the United States. The Secretary of Agriculture is authorized to issue such rules and regulations as may be necessary for the administration of the provisions in the bill.

An activity of the Government which brings in better than $70 million to the Treasury and on the sound conduct of which the future strength and welfare of the Nation is so strongly dependent should be governed by comprehensive legislation. The subject of my bill merits the most careful consideration of the Congress. Existing statutes which have served remarkably well for more than 50 years should not be replaced without thorough study. It is in this spirit that I am introducing this bill. I hope it will be thoroughly scrutinized by Members of the Congress. This bill directly affects the welfare of a large segment of the forest products industries; it affects the welfare of thousands of timber dependent communities; it is of great interest to the many organizations concerned with sound use and conservation of our national resources. I hope these industries, communities, and organizations will also study this bill and communicate their views to me, the Committee on Agriculture, and their Representatives in Congress.

Grove Patterson, of Toledo Blade, Honored for Work for World Peace

EXTENSION OF REMARKS

OF

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. ASHLEY. Mr. Speaker, I should like to call attention to the recent award given to Mr. Grove Patterson, editor in chief of the Toledo Blade, by the midlakes region of the United World Federalists.

Mr. Patterson has been named "the outstanding worker for peace in Ohio, Indiana, and Michigan." In making the award, Mr. Harry H. Hollingsworth, a regional vice president, said:

After years and years of working for peace, Mr. Patterson has continued during the last

year to write, speak, and work in the cause of world peace.

Even those of us who do not necessarily agree completely with the United World Federalists will admit that they are sincerely doing their best for the cause of peace that all of us try to serve. Mr. Patterson certainly deserved his award. For many years he has run one of the best newspapers in the Nation, one that is not afraid to criticize where criticism is due in the effort to keep our citizenry well informed.

Massachusetts and the Nation Salute the Patriotic, Devoted Service of Representative Edith Nourse Rogers

EXTENSION OF REMARKS

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. DONOHUE. Mr. Speaker, last Tuesday, during the time that most deserving tributes were being paid to our revered colleague and my dear friend, Mrs. EDITH NOURSE ROGERS, I was attending an important conference at the General Services Administration and therefore unable to be present here.

Upon the beginning of my service in this House in 1947, it was my good fortune to be assigned to the Committee on Veterans' Affairs, then presided over, as chairman, by this great lady. It was an inspiring experience for me through the next 5 years to be guided, directed, and befriended by this wonderful woman whose devotion to and vigorous legislative leadership for the veterans' cause has made her a legend, not only in this country, but throughout the civilized world.

Gracefully kind and courteous in her social life, valiant and courageous as a conscientious legislator, inspiring in her energy and industry, richly endowed with the deepest wisdom and most sympathetic understanding, the name of EDITH NOURSE ROGERS is a shining symbol of the highest character, ability and sincerity that can be associated with the political life of America. I am certain that the people throughout the United States join with us of Massachusetts in saluting the 30 years of hard work, personal sacrifice, and intense patriotism expended so enthusiastically by Mrs. ROGERS in devoted legislative service to this Nation.

In my judgment, the highest testimony of the loving esteem in which this gracious lady is held is revealed by the admiration she is accorded from all racial, religious, and political groups of the country. The legislative history of this era will record the personality and achievements of Mrs. ROGERS as unique in our political annals and provide an everlasting example to the women of America, as indeed to the men, of true and faithful service to the country.

It is my earnest prayer that the good Lord will bless us all with the continuing presence of Mrs. ROGERS in our midst for many, many more long and fruitful years.

Security Risks

EXTENSION OF REMARKS

OF

HON. AUGUSTINE B. KELLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. KELLEY of Pennsylvania. Mr. Speaker, suppose your mother-in-law, 20 years before you ever knew her, had gone to some meetings of the American League Against War and Fascism and contributed to what she thought was a legitimate antiwar movement.

Suppose your wife's uncle, Dave, a wounded veteran of World War I, had been a leader in the bonus march back in the Herbert Hoover administration, and had helped to plan some of the "direct action" strategy for that unhappy army of unemployed and undernourished veterans.

Suppose your sister's brother-in-law had once gone to some leftwing meetings while in college.

Could you, under those circumstances, prove you were not a security risk to the United States?

Note, now, that in none of these cases were you personally involved—no question of your own participation in Communist activities of any sort, no accusation that you had subscribed to any of the wrong magazines or had ever read the Daily Worker, or had otherwise done anything the least bit out of line. In fact, you might be a decorated and wounded war veteran.

The point is that we are having case after case of this sort—not of "guilt by association" but of "guilt by marriage or inheritance"—coming to light most every month. Many never do come to light. But those which do frequently give those of us in Congress who learn about them a nauseated feeling, as if we were seeing a running sore in the body politic of free America.

No one argues that Americans must not take every step to protect our country against subversion and infiltration by communism. We have devoted billions of dollars to that for these past many years. The FBI and the Central Intelligence Agency have money for every possible need they tell Congress they want it for. We do not ever stint on appropriations for such work.

But we find innocent people being kicked out of career Government jobs because they have relatives who were suspected of having leftwing sympathies, or who once attended leftwing affairs. The most frightful type of security trouble I have come across is that which hits a career soldier or airman who is suddenly handed a discharge from the service because of a mother-in-law's activities 20 years ago or a far-removed cousin's mixup with a leftwing union or other outfit.

I have personally intervened in such a case and have found that the military services suddenly get a little more careful and much more reasonable about these matters when Members of Congress show an interest in a particular case. Otherwise, the poor fellow would be out on his ear—and identified for the rest of his life as an unworthy officer or noncom who had to be kicked out of the service because he was a security risk.

No American should sit by and let any public official push him around in violation of law and decency. If it involves a Federal official, I would want people from my district to call it to my attention. Of course, any citizen automatically feels persecuted when he runs into trouble with a public official, but it is not too hard to tell a legitimate complaint from one of the crybaby kind.

On this coming Fourth of July weekend, besides taking our lives in our hands on the highways, I would suggest we also take into our hands the text of the Declaration of Independence and read it again; and see how the Founding Fathers reacted to denial of their rights as human beings and to attacks upon their dignity as men.

Thanks to the courts, to Congress, and to a lot of individuals who have insisted on standing up for their rights, the Eisenhower administration's security hysteria is now beginning to simmer down. The suppression of news which it has invoked against our newspapers on security grounds is now under such fire from the press it may soon be replaced with a much more intelligent approach to the security information problem.

Let us hope so. For we can make our Government so secure, you know, that it does not dare do anything for fear of breaching security. We can deny security clearance to the Oppenheimers and Einsteins and other scientists who were not always too careful with whom they associated, and the first thing we know America may have lost the race for scientific leadership behind an Iron Curtain of our own.

Death to the Communist atomic espionage agents. But let us use some commonsense about calling a career soldier a security risk and dismissing him from the service just because his wife had parents or in-laws who associated with some peculiar crackpots 25 years ago.

Bananas on Pikes Peak?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. HOSMER. Mr. Speaker, according to the Bureau of Reclamation, the

proposed Eagle Divide Irrigation project in Colorado would grow more supported crops to be added to the enormous agricultural surpluses now bulging the Nation's warehouses.

The Eagle Divide project is a part of the multi-billion-dollar upper Colorado River project.

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

The Upper Colorado River Project

EXTENSION OF REMARKS

OF

HON. HENRY ALDOUS DIXON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. DIXON. Mr. Speaker, in the discussions of the Colorado River storage project a great many loose charges have been made concerning the cost estimates prepared by the Bureau of Reclamation. Opponents of the project have tried to create the impression that reclamation projects always cost substantially more than the original Bureau estimates.

This simply is not true.

In many cases, of course, cost estimates, prepared in accordance with prices which were current at the time the estimates were made, have gone up when basic construction costs rose sharply between the time the estimates were made and the time construction got under way. This was particularly true of projects planned before the war and constructed after the war, under entirely different economic conditions.

Projects planned by the Bureau of Reclamation since the end of World War II have been and are being constructed at costs very close to, and in many cases substantially below, original cost estimates.

Let me give you an example from my own State of Utah. The Weber Basin project was authorized in 1949, at which time the Bureau's cost estimate was $69,534,000. When construction began in 1952, construction costs had risen to the extent that the same cost estimate, adjusted to the current price index in accordance with a study made by the Engineering News-Record—a nongovernment professional publication—was $88,968,000.

At the present time the Weber Basin project is 22 percent complete and the current cost estimate—based very largely on actual contracts—is $65,362,000. This is 27 percent below the original estimate when adjusted to reflect the current cost index. More impressive still, it is 7.3 percent below the original 1949 estimate, in spite of the rise in construction costs in the interim.

For one major phase of the project—construction of Wanship Dam, Davis Aqueduct, Gateway Tunnel, and Weber Aqueduct—the original 1949 cost estimate was $12,700,000. Actual contracts have been let for this work at a total cost of $9,094,000, or $3,606,000 less than the estimate. This is a saving of 28.4 percent of the original estimate, again in spite of a sharply rising cost index.

This is but one example of many that could be presented. The Glendo unit in Wyoming is being constructed at a cost 13 percent below the original estimate made in 1953. The Middle Rio Grande project in New Mexico is running 2 percent under the 1947 estimate—and a fabulous 48 percent below the original estimate when adjusted in accordance with the Engineering News Report index.

In the case of the Colorado River storage project itself, you should know that the construction price index, as of October 1954, was down approximately 1 percent since the Bureau's estimates were prepared on a basis of January 1953 prices. That means the actual cost of the project will probably be substantially below the estimate, if the downward trend continues.

Critics of the project have also attacked the ability of the reclamation projects to pay themselves out. Once again I should like to cite an example with which I am familiar. It is the Strawberry project in Utah—one which I know not only from studying it as a reclamation project, but also from frequent contact with it as a very fine fishing ground.

Repayment on the Strawberry project was begun in 1916, on a basis of individual water users' contracts with the Government. In 1926 the repayment setup was changed. The individual water users made contracts with the Strawberry Valley Water Users' Association, which, in turn, handled the repayment contract with the Government. Commissioner Dexheimer informs me that as of December 31, 1954, all repayment installments that had accrued had been paid and there were no delinquencies. Total repayment is a little more than three-fourths completed.

I think this distinguished body should consider these facts in looking at the Colorado River storage project and other major reclamation proposals.

Bananas on Pikes Peak or Good Land in Arkansas?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. HOSMER. Mr. Speaker, the Department of Agriculture reports there are more than 20 million acres of undeveloped fertile land in the humid areas of the United States which can be developed by low-cost drainage.

Of this total, Arkansas has more than 1,865,000 acres waiting to be brought into agricultural production, when and if needed.

The cost would be from $60 to $100 an acre.

But it would cost the taxpayers of the Nation at least 50 times as much for each acre developed in the proposed multi-billion-dollar upper Colorado River project.

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

America's Book Program Abroad Is Making Good Headway

EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. JUDD. Mr. Speaker, it will be remembered that during the first few years of our United States information program, established by the 80th Congress in 1948, there was considerable criticism of the book program in our libraries abroad. Many of the books were badly chosen. The Communist books and and pamphlets were more numerous, more simply written, better illustrated, more persuasive, cheaper.

Recently I asked Dr. Franklin Burdette, who has been Chief of the Library Division for 2 years, for an up-to-date report. His reply is informative and encouraging. Under leave to extend my remarks, I include my correspondence with Dr. Burdette:

JUNE 1, 1955.

Dr. FRANKLIN L. BURDETTE,
Chief, Information Center Service,
United States Information Agency,
Washington, D. C.

DEAR DR. BURDETTE: I note that the book program of the United States Information Agency recently brought out its 500th edition in a foreign language.

In view of the importance of meeting the flood of Communist books, I should like to know more about your foreign-language-book program.

In conducting the program, to what extent does the Agency enlist the cooperation of American publishers and foreign publishers? How are books selected for this program?

Sincerely yours,

WALTER H. JUDD.

UNITED STATES INFORMATION AGENCY,
Washington, June 3, 1955.

The Honorable WALTER H. JUDD,
House of Representatives.

DEAR DR. JUDD: I am happy to answer your inquiry of June 1 about the book-translation program of the United States Information Agency.

Cooperation with publishers here and abroad is the principle guiding the conduct of the book-translation program of the United States Information Agency. The Agency itself does not publish books. It strives rather to create the conditions which will enable authors, book publishers, and booksellers to make the strongest case for the cause of freedom in the current contest of ideas.

A book is selected for translation because the Agency is convinced that it can make a vital contribution to the understanding, somewhere in the world, of the aims and objectives, the fabric and pattern of life and thought, in the United States. Such a book may appear in many languages, in French or German, Japanese, or Korean—perhaps even in Urdu or Tagalog. American books have appeared in more than 44 languages through Agency encouragement. They are issued by foreign publishers and sold in commercial channels of the world. Demand for American books is rapidly growing abroad. As they become known for their truth and integrity, publication in foreign languages in native commercial channels, without financial or other assistance, is becoming more and more frequent. Agency assistance is given only when native-language editions would otherwise not be possible. This worldwide program of encouraging translation is the responsibility of the Translations Branch of the Agency's Information Center Service, located in Washington, and also of field officers in 205 posts in 76 countries.

The Agency creates favorable conditions in many ways for foreign-language editions. In some cases no more is required to stimulate a foreign edition than a call from our overseas post bringing an American book to the attention of a foreign publisher. The Agency staffs abroad, including Americans and nationals of countries where we work, also introduce American books to foreign readers and publishers through the overseas libraries, through book reviews in the press and on the radio, and through traveling book exhibits.

In other cases the overseas posts take a more active part in the production or the distribution of a foreign-language edition. Such activity may involve promotion of the foreign edition through a program of bringing the book to the attention of the widest circle of potential readers. In some cases our staffs cooperate in the actual distribution of foreign editions, with presentation of copies to key readers, libraries, or schools, assistance to book clubs and wholesalers, or assistance to the publishers to assure a modest local price necessary to encourage purchaser interest.

Assistance in the production of a foreign-language edition—when necessary because of obstacles in the path of free international commerce or because of the limited operating capital in the hands of the overseas publisher—requires even more extensive cooperation between the United States Information Agency and publishers here and abroad. The Agency may assist in the negotiation of foreign-language rights with the American publisher; it may help in the translation of the book; it may assure purchase of a part of the foreign edition. American publishers have cooperated unselfishly in making available translation rights for a larger world audience. They receive no payment except a small sum for assignment of rights, usually a nominal fee of $50 for each language.

The book translation program is an active means of fulfilling the mission given to the Agency by the Congress and the President, to "submit evidence to peoples of other nations by means of communication techniques that the objectives and policies of the United States are in harmony with and will advance their legitimate aspirations for freedom, progress, and peace." Its scope does not necessarily extend to every book published in the United States. In advancing freedom's cause in the present ideological struggle, the Agency supports those books which will do the cause of America and the free world the most good in terms of intrinsic content and foreign reader interest. Judgment of a book's value in terms of the Agency's mission results from the combined thinking of readers here and abroad, including Agency personnel in Washington and in the country of the proposed foreign-language edition.

The United States is now more than ever meeting the competition of Moscow and Peiping in the international book market, both in numbers and in quality. Over the past 30 years Moscow alone has published for use outside the U. S. S. R. a yearly average of 5 million copies of foreign-language books. Since July 1950 the United States Information Agency has assisted in the publication of an average of 4 million copies of foreign-language book translations a year. During the past 2 years the Agency has been responsible for more than 1,100 foreign-language editions of American books. Their impact, we know from sources of information all over the free world, is a permanent sharing of American culture and achievement.

Sincerely yours,

FRANKLIN L. BURDETTE,
Chief, Information Center Service.

A Bill for Freedom of Choice in Trade

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. ROOSEVELT. Mr. Speaker, as a member of the Select Committee on Small Business, House of Representatives, and as chairman of its Subcommittee No. 5, dealing with distribution problems, of which the gentleman from Oklahoma [Mr. STEED] and the gentleman from Illinois [Mr. SHEEHAN] are members, we were authorized by the full committee to investigate and study distribution problems affecting small business.

Immediately following the assignment of that task, representatives of gasoline station operators comprising one of the large segments of small business in our country complained to our committee that coercive, discriminatory and related practices on the part of major oil companies were destroying their independence as small-business men and their ability to survive unless they followed the demands and dictates of the major oil companies. Subcommittee No. 5 was specifically concerned with the problems which arise in the trade relations between numerous small and highly competitive independent businesses on the one hand and a few large monopolistic or quasi-monopolistic suppliers on the other hand.

Consequently, a determination was made to investigate the charges in an effort to ascertain whether they were well founded and if so, whether these small-business men have a remedy under our present laws and whether it is being enforced properly by Government agencies. We commenced taking evidence concerning these matters in the course of public hearings on March 28, 1955. Those hearings continued until last month, during the course of which we received sworn testimony from 62 witnesses who came from all parts of the United States. Upon the basis of the record of that testimony it was concluded that a great many of the so-called independent businessmen, who are retail gasoline operators, do not fully possess the rights that are inherent and basic to a small-business man in a free and competitive economy. A fair reading of the record shows that through the use of short-term leases, often cancelable upon short notice, major oil company suppliers have enforced exclusive dealing practices and price discrimination which resulted in the substantial lessening of competition in the retail distribution of tires, batteries, accessories, and petroleum products.

Specifically the record supports the following findings:

First. A substantial proportion of all sales of refined gasoline of major oil companies is made through retail outlets where the dealer has a short-term lease from the oil company supplier, usually for 1 year. The importance and the proportion of the total retail market serviced by such short-term lessee dealers have been increasing.

Second. The dealer operating his station under a short-term lease with the oil company supplier frequently is not in fact independent and is subject to control by the oil company supplier. The freedom of choice of the dealer with respect to the manner in which he operates his station is circumscribed by the economic power of his oil company supplier, whether or not such power is specifically exercised against him. Representatives of some of the oil companies testified that such control is necessary in order that the oil companies may protect their substantial investments. Other witnesses testified that many retail stations have been maintained at locations long after economic reasons for their operation had disappeared.

Third. The short-term leases and sales practices of major oil companies in relation to their sponsored products have had the effect of operating against a dealer's freedom of choice in using or dealing in competitive products, and operate to substantially lessen competition and tend to eliminate price competition.

Fourth. Price discrimination: Oil company suppliers, for the avowed purpose of having their dealers reduce their retail prices at a particular location to meet the competition of a dealer selling at a lower but nondiscriminatory price, including off-brand gasoline, have discriminated in price through the device of holding the level of their prices generally while, at the same time, cutting their prices to one or more dealers at a particular location. In such situations discriminations have been practiced by oil company suppliers until the low-price dealer saw fit to increase his price. This device of price discrimination has had the immediate effect of fomenting price wars among the retail dealers, but the ultimate result of eliminating a substantial amount of price competition between and among dealers handling the products of the oil

company suppliers and those dealers handling off-brand gasoline. Short-term lessee dealers in many instances have been coerced or induced by their oil company suppliers into so-called price wars in furtherance of the price discrimination practices of the oil company suppliers designed to eliminate competition as hereinbefore described. It was also established that on occasion price wars have been started when some dealers engaged in price cutting activities on their own initiative.

Fifth. The record indicates the probability that the short-term leases and practices toward lessee dealers are the product of control by the major oil companies in the production, transportation, and refining of crude oil and the retail distribution of gasoline.

Sixth. The present laws, procedures, and enforcement policies are inadequate to achieve effective and permanent relief.

If it is truly believed that the small-business man plays an irreplaceable role in our society and economy, it follows that such evidence as has been received by the subcommittee calls for immediate and effective action. I have, therefore, introduced a bill, H. R. 7096, amending sections 3 and 4 of the Clayton Act for the purpose of protecting and preserving small and independent business enterprises, such as the retail gasoline dealer. The bill is designed to assure small-business enterprises freedom of choice in trade and in the commodities they handle. It is hoped that my bill will accomplish this purpose by, first, making it unlawful in any course of action or any act which, in connection with any sale or contract to sell, lease, franchise, or license, operates to interfere in any manner with the freedom of choice of any lessee or purchaser to deal in or use any product which is competitive with a product sponsored by his supplier. Such unlawful course of conduct or act includes, of course, the taking or threatening of any action against a person in retaliation for exercising his freedom of choice in respect to the commodities that he might desire to use and sell; second, a prima facie violation of the law may be established by showing a refusal or the threat of a refusal to deal, lease, license, or the threat to refuse to renew or the refusal to renew any lease, license, or contract. The burden of rebutting such a prima facie case then is upon the supplier; and, third, the plaintiff in any action under the Clayton Act may move the court at any time to certify that his cause of action is based upon probable cause and if the court grants such a certification then, even though the plaintiff should not prevail in the final judgment of the cause, the plaintiff shall nevertheless recover from the United States a reasonable attorney's fee and the cost of the suit shall be borne by the United States.

It is felt that while this proposed legislation is modest, it can go a long way toward accomplishing the purpose of protecting freedom of choice and free competition, and there is no good reason for any objection to it by the oil company suppliers or by suppliers in other industries. In their sworn testimony the oil company executives uniformly testified that their companies' policy was against, and that they would not countenance, any coercion by their salesmen against dealers. I was impressed with the sincerity of this testimony and trust that the oil companies will be included among the supporters of this amendment, which would implement and strengthen the policies they state they follow.

Attached is the text of the bill.

FOR FREEDOM OF CHOICE IN TRADE

A bill to amend sections 3 and 4 of the Clayton Act to free those in commerce from restraints of trade and to allow small-business men freedom of choice in the conduct of their respective businesses as independent enterprises

Be it enacted, etc., That sections 3 and 4 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (33 Stat. 731; 15 U. S. C. secs. 14 and 15), are amended as follows:

"SECTION 1. Section 3 of the Clayton Act is amended to read as follows:

"'It shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or services or facilities, whether patented or unpatented, for use, consumption, or resale within the United States or any territory thereof, or the District of Columbia, or any insular possessions, or any place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon such price, on the condition, agreement, or upon the basis of any arrangement, or course of action, which prevents the lessee or purchaser thereof from using or dealing, or which operates against such person's freedom of choice in using or dealing, in the goods, wares, merchandise, machinery, supplies, or services or facilities of a competitor or competitors of the lessor or seller, or where the effect of such lease, sale, or contract for sale, or such condition, agreement, understanding, arrangement, or course of action may be to prevent or eliminate a substantial amount of competition, or to substantially lessen competition or tend to create a monopoly in any line of commerce in any section, community, or trading area.

"'It shall be unlawful for any person engaged in commerce in the course of such commerce to be a party to or assist in the commission of any act in connection with any sale, or contract to sell, or lease, license, or franchise, which

"'(a) Operates to hinder, restrict, prevent, or otherwise interfere with the freedom of choice of any lessee or purchaser to deal in or use any goods, wares, merchandise, machinery, supplies, or services, or facilities available from any other person that a purchaser, lessee, licensee, or grantee may wish to acquire, advertise, display, use, or resell; providing that this provision shall not be construed to prevent a lessor from entering into an agreement with his lessee that the leased premises shall be used to conduct a certain type of business or that equipment owned by the lessor shall not be utilized to display or vend commodities different from those advertised as offered for sale in or through such equipment.

"'(b) Includes the taking or threatening any action or course of action against any person in retaliation as a result of such person's dealing in or using goods, wares, merchandise, machinery, supplies, or services or facilities of his choice.

"'Proof of violation of this section may be established prima facie by showing a refusal or the threat of a refusal to deal, lease, license, or the threat to refuse to renew or the refusal of renewal of any lease, license, or contract, where the seller, lessor, or licensor, is engaged in or solicits business generally from a class of trade in the section, community, or trading area and where such seller does or has control over a substantial amount of the trade in the goods, wares, merchandise, machinery, supplies, or services or facilities in the section, community, or trading area to which the refusal or threat of refusal applies.

"'Upon proof being made in any proceeding under this section that there has been a violation of this section, the burden of rebutting the prime facie case thus made by showing justification shall be upon the person charged with the violation of this section and unless justification shall be shown affirmatively the tribunal before which the proceeding is brought is authorized to issue an order terminating the violation: *Provided, however*, That nothing contained in the section shall prevent a seller, lessor, licensor, or other person charged with such violation from rebutting the prima facie case made, as provided, by showing that the alleged violation was based upon an act or course of action expressly provided for and specified in a contract, lease, or license, consistent with the provisions of this section and not otherwise unlawful.'

"SEC. 2. Section 4 of the Clayton Act is amended by adding at the end of the section the following language:

"'The district court in such action is vested with jurisdiction to make and enter such rulings on motions and temporary restraining orders, including orders of prohibition, at any time during such proceedings, as it may deem just in the premises.

"'Whenever the plaintiff moves the court to do so, it shall determine and certify whether the plaintiff's suit is founded upon a showing of probable cause, and in those cases where it is certified that a showing of probable cause has been established, then, even though the plaintiff should not prevail in the final judgment of the cause, the plaintiff shall nevertheless recover from the United States a reasonable attorney's fee and the cost of the suit shall be borne by the United States.'"

Bananas on Pikes Peak?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. HOSMER. Mr. Speaker, according to the Bureau of Reclamation, the proposed Parshall irrigation project in Colorado would grow more supported crops to be added to the enormous agricultural surpluses now bulging the Nation's warehouses.

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

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

It's No Longer Book Burning

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. CURTIS of Missouri. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I am setting out a letter I recently wrote a constituent on the subject of It's No Longer Book Burning:

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

Dr. JOHN JOHNSTONE, Jr.,
Beaumont Medical Building,
St. Louis, Mo.

DEAR DR. JOHNSTONE: Thank you very much for your letter of June 21, 1955, and the enclosed article from the St. Louis Post-Dispatch entitled "Losing the Battle of Books." I deeply appreciate your calling this matter to my attention. I thoroughly agree with your statement that the problem involved here is of the greatest importance.

I have directed a great deal of thought and study to this problem. Incidentally, I am preparing right now two treatises on collateral subjects which I intend to insert into the CONGRESSIONAL RECORD in the very near future. I will send you copies when this is done.

I do have a couple of additional thoughts I would like to add at this time: 1. It was not so long ago the Chicago Daily News (whether Mr. Bradley, the literary editor, was among the group I don't know), other newspapers and publications of similar approach and other scholars were shouting to high heavens about book burners, referring to the efforts of one Senator MCCARTHY, of Wisconsin, to "clean out" (JOE's words) the shelves of the USIA libraries abroad and have in their place books that gave a better and more representative picture of America and American life. The intelligentsia (self-styled) of this country had a great day being righteously indignant against book burners, brute anti-intellectualism, etc. MCCARTHY having already been sufficiently smeared, they had a field day even to the extent that President Eisenhower himself joined the antibook burners in his commencement address at Dartmouth College. Everything was so liberal and everyone was so enjoying the emotion of fighting the devil and being righteously indignant, that it was pretty hard for anyone to step up and try to talk sense on the subject.

Now, in order to be able to discuss the subject, or at least have people whom I want to do some thinking on the subject not turn away in prejudice and not listen to what I want to say, I hasten to state there is no one I can think of who would be less able to select the proper balance of books to be on our USIA shelves than the aforesaid Senator from Wisconsin. Furthermore, the manner in which he sought to call the public's attention to the fact that the bookshelves of the USIA did not have a good balance, in my opinion, was not a manner conducive to attaining good results.

But to call the process of selection of a limited library book burning was equally as anti-intellectual. It was a pure smear and unreasoned attack. As I said to a friend of mine, if selectivity is to be book burning, I in truth am both figuratively and literally a book burner because I have on many occasions in balancing off my own private library burned what I didn't want and concluded no one else wanted that particular trash I had accumulated.

So now the intellectuals come back through Mr. Van Allen Bradley and recognize that it is a scholarly and professional task to get a proper balance in a limited library and that you can have trash, and that you can have imbalance, and that the overall effect can be one inconducive to the purposes in mind. The only difference seems to be they didn't want MCCARTHY pointing this out, and they didn't want to believe it possible that books which actually misrepresented the true America were in the libraries abroad and that possibly some of these books had been put there deliberately.

Now I don't say that the libraries did contain books misrepresenting America or if they did that these books were put there deliberately. I do say, knowing the Comintern (Cominform) and not underestimating either its abilities or intelligence, that such things were not beyond the realm of possibility and certainly deserved serious looking into. I didn't want the Senator from Wisconsin doing it; I wanted an objective scholarly group to do it. But it needed doing. So now that the intellectuals are ready to do the selection (not book burning anymore) maybe we can really get the show on the road.

The second point I want to make and it will not take so long to make, because it follows essentially the same pattern of thinking as my previous point, is this. The book publishers of this country and their allies, the book reviewers, indeed seem to have a tight control over what books Americans will buy and read and, of course, dependent upon what books are bought and read depends upon what books are published and disseminated. Perhaps we do have topnotch authors who do know and have been writing about the American scene, but their fine works never really see the light of day. I do not know that this is so, but I have read enough books published by small and unknown publishing houses that never do come to the attention of the American public and, in effect, never do see the light of day, all because the magic of the favorable book review is lacking. Also, I have read the most amazing sort of tripe that has received great book reviewing praise for no apparent reason.

Again, let me say I am happy you brought this matter to my attention. I intend to insert the article in the CONGRESSIONAL RECORD along with the remarks contained in this letter.

Sincerely,

THOMAS B. CURTIS.

P. S.—As far as the USIA being "rather disappointed recently when Congress turned down an appropriation to create a Government publishing house to produce cheap books to be distributed throughout the world," I would suggest that these USIA people do a little understanding of the books "representative of the basic philosophy on which the American concept of freedom was built" they are translating for foreigners. Perhaps putting this philosophy together with a look around the American publishing industry, they would be glad Congress did reject their plea. If they believe in the private enterprise system, they will utilize it, not subvert it even in small things.

[From the St. Louis (Mo.) Post-Dispatch of June 20, 1955]

LOSING THE BATTLE OF BOOKS

(By Van Allen Bradley)

If it is true that the pen is mightier than the sword, then the United States is in danger of losing the battle of the books to Soviet Russia.

While the Kremlin is engaged in a giant international program of subsidized book distribution, the United States Information Agency is carrying on an appallingly weak and inadequate counteroffensive.

Russia is making sure that in every country where communism seeks a foothold the classic books and pamphlets of Communist political theory are abundantly and easily available in cheap native-language editions.

The United States, on the other hand, is virtually ignoring the classic statements of democratic thought while it translates and distributes such secondary items as John Steinbeck's the Red Pony, Arthur E. Hertzler's Horse and Buggy Doctor, and Eleanor Roosevelt's the U. N. and How It Works.

Russia is turning out in many languages millions of volumes of inexpensive editions of the classic Communist statements of Marx, Lenin, Stalin, and other writers.

The USIA book translation program includes only a little of Thomas Jefferson and selections from the Federalist as representative of the basic philosophy on which the American concept of freedom was built.

The books on its lists for translation are, at least to date, overwhelmingly in the category of devotional works and repentances of sinners. The gospels of democracy go virtually unknown in favor of books like former Russian Gen. Alexander Barmine's One Who Survived and Arthur Koestler's Darkness at Noon.

Nowhere in the USIA lists are there such basic works of democratic thought as Locke's Letters on Toleration, John Stuart Mill's On Liberty, De Tocqueville's Democracy in America, Bryce's the American Commonwealth, the works of Lincoln, and Emerson's Moral and Political Essays.

These are the conclusions made by a group of Chicagoans interested in how the United States is faring in spreading the gospel of democracy abroad. It was this group that was responsible for focusing national attention on the problem when Representative BARRATT O'HARA of Chicago, a Democrat, brought it up before the House in debate on the State Department appropriations.

Their reason for stressing basic documents is based on an observation in history: Wherever there has been a movement for constitutional democracy, it has been accompanied by a recourse to the original and fundamental statements of the democratic theory.

The Federalist, for instance, appeared in Paris in 1792 and was one of the textbooks for the statesmen of the French Revolution. De Tocqueville and Mill were used by the Russian liberal leaders of the 19th century.

The men who have joined in trying to persuade Congress and the USIA of the need for such books are Dr. Harold Fey, executive editor of the Christian Century; Jerome G. Kerwin, chairman of the Charles R. Walgreen Foundation at the University of Chicago; Richard P. McKeon, professor of philosophy at the university and a State Department visitor to universities in India; Emery T. Filbey, vice president emeritus at the university; Thomas B. Stauffer, humanities instructor at Wilson Junior College; and Leland G. Stauber, an undergraduate student at the university.

Their spadework recently brought them a letter of approval in principle from the Advisory Committee on Books Abroad for the United States Advisory Commission on Information.

Mark A. Day, chairman of the committee and director of the Institute of Human Relations at Yale, in reporting his committee's approval to seek an expanded translation program, called upon the Chicagoans to supply a list of books to be considered. Such a proposed list was submitted by Stauffer,

serving as secretary of the Chicago group. It included the following titles:

Madison, Hamilton, and Jay's The Federalist; Thoreau's Walden and Civil Disobedience; Locke's Letters on Toleration and Of Civil Government; Mill's On Liberty and Representative Government; Jefferson's selected writings; De Tocqueville; Bryce; Emerson's selected essays; John Dewey's The Public and Its Problems; Woodrow Wilson's The New Freedom; Mazzini's The Duties of Man; Abraham Lincoln's Selected Papers; and Learned Hand's The Spirit of Liberty.

Representative O'HARA in an unsuccessful attempt to amend the State Department appropriations bill said: "Briefly stated, this is our program: Select 20 or 30 classics of American democracy, such as The Federalist and the writings of Thomas Jefferson, translate them into all the languages of the world, issue them in paper editions and make them available at trifling cost to the little people everywhere.

"This was the literature that inspired and guided our forefathers in the task of building this democracy. It will inspire and guide those who now, in foreign lands, are looking for the light."

The Chicago Daily News in February called upon its correspondents to investigate the extent of the Communist book campaign and what the United States is doing to meet it. Following are some of their reports:

Paris (William H. Stoneman reporting): "There are at least six bookshops in France that are devoted exclusively to the sale of Communist literature in either Russian or French. Generally attractive in appearance and sold at low prices. Works of the basic American philosophers are difficult to buy in France because of the high cost of American books."

Rome (Charlotte Ebener reporting): "There are many Communist bookshops in Rome. All the Communist classics as well as later writings are available in Italian, at approximately half the price of the paperbacks on Italian or American political and economic thought. There is no American bookstore."

London (Ernie Hill reporting): "There are numerous bookstores that sell Marx & Co. at a low cost. The Communist Party itself operates 36 regional bookstores and sells at below cost. Nowhere can you buy Jefferson, Lincoln, etc., at anything like these prices.

"The USIA people were rather disappointed recently when Congress turned down an appropriation to create a Government publishing house to produce cheap books to be distributed throughout the world to compete with the U. S. S. R. The fact remains that we have nothing to compare with the Communists' cheap books distribution plan."

Bananas on Pikes Peak or Good Land in Florida?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. HOSMER. Mr. Speaker, the Department of Agriculture reports there are more than 20 million acres of undeveloped fertile land in the humid areas of the United States which can be developed by low-cost drainage.

Of this total, Florida has more than 1,970,000 acres waiting to be brought into agricultural production—when and if needed.

The cost would be from $60 to $100 an acre.

But it would cost the taxpayers of the Nation at least 50 times as much for each acre developed in the proposed multibillion-dollar upper Colorado River project.

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

Democrat Bill Proposes To Saddle $850 Million New and Additional Taxes on American People

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. MACK of Washington. Mr. Speaker, I rise today to discuss some unusual aspects of the new highway bill which was introduced this week in behalf of a majority of the Democratic members of the House Public Works Committee.

This Democratic highway bill, H. R. 7072, proposed to levy $850 million in new and additional taxes on American automobile and truck users.

The new taxes which the Democrats would levy by the terms of the bill they introduced last Tuesday are: First. An increase of the present 2 cents a gallon Federal gasoline tax to 3 cents a gallon which it is estimated will yield an additional $500 million annually; second, an increase of the present 2 cents a gallon diesel fuel tax to 6 cents a gallon which it is estimated will yield an additional $50 million a year; and third, an increase in the present tax of 5 cents a pound on large-sized truck tires to 50 cents a pound, and a new 20 cents a pound tax on retread material, all of which is expected to raise an additional $300 million a year.

TIRE TAX CALLED UNFAIR

Until the time that the Democrats introduced their highway bill this week, no one knew the Democrats were considering imposing a tax on tires and retread material or of additional taxes on gasoline and diesel fuel. In fact, when witnesses during the hearings on bills that would authorize an expanded highway program tried to testify against the imposition of new taxes they were shut off from so testifying by statements of committee members that no new taxes were proposed in the highway legislation then under consideration. The bill, H. R. 7072, just introduced in behalf of the Democratic majority of the Public Works Committee, carries $850 million in proposed new and additional taxes on automobile and truck owners. No public hearings have been held on the tax aspects of this bill although these tax increases will total almost a billion dollars a year.

The proposed tax on truck tires is 10 times the tax now paid on tires. It increases the present 5-cents-a-pound truck tire tax to a tax of 50 cents a pound.

Not one of those upon whom this 1,000-percent, tenfold increase in the Federal taxes on tires will be imposed, if the Democratic bill is enacted, have been provided an opportunity to give their views on this proposed exorbitant tax increase. Certainly, before $850 million in new and additional taxes are imposed upon the truck and automobile owners of America, public hearings ought to be held for at least a few days to provide those who must pay this $850 million in new and additional taxes a right to be heard as to how these new taxes will affect them.

I have received telegrams from some truckers who seldom if ever use interstate-highway systems that the proposed 1,000-percent, tenfold increase in the tax on tires, will put them out of business. I do not know whether these people will be ruined financially by the new proposed taxes but most certainly these people, on whom almost a billion dollars in new taxes would be imposed by this Democratic bill, ought to be heard, in public hearings. No provision, as yet, has been made for any hearings on the imposition of these proposed new taxes.

Most of the money in the Democratic highway bill is to be spent on the interstate highway system. I will agree that perhaps the big trucking companies which operate great freight and passenger trucks over the interstate system of highways, which roads will get most of the highway money in the Democratic bill, should pay extra taxes. They will get the benefits of the interstate highway improvements.

There are, however, tens of thousands of trucks that are operated only on city streets or only on secondary and rural roads, and which never or seldom get onto any interstate highway. The off-interstate highway truckers will be taxed just as much under the Democratic bill as the truckers using the interstate system of highways. The imposition of a tax amounting to as much as a 1,000-percent, tenfold, increases over present taxes on truckers who never or seldom use the interstate highway system to provide a better interstate highway system for other truck lines obviously is unfair and unjustifiable.

LOG TRUCKER TAX EXORBITANT

Take the case of the logging industry. Nearly all timber today is hauled to tidewater or to the mills on trucks.

The average logging truck in the Pacific coast States is equipped with 16 to 22 tires. These tires sell at about $100 each, plus a $5 tax.

The Democratic bill introduced this week proposed to increase this $5 a tire tax to a tax of 50 cents-a-pound, which means a tax of $50 a tire in place of the

present about $5-a-tire tax. In short, the logging truck owner who now pays a tax of $80 to $110—this is $5 a tire—will be required under the proposal in the Democratic highway bill to pay a total tire tax of $800 to $1,100 a truck. This is $50 a tire for 16 to 22 tires.

This is a 1,000-percent increase in the logger's tire tax.

These logging truckers who are to have their tire taxes increased 100 percent, or by about $800 to $1,100 a truck every time they get a tire change, seldom, if ever, use the interstate highway system.

If there is any doubt in your mind that most of the new money in the Democratic bill will go onto the interstate system of highways and very little of it on other roads, consider these facts:

Under the present law the Federal Government provides $175 million a year for the interstate highway system, but under the new Democratic bill will provide $1,200,000,000 a year, or more than a billion dollars a year above what is provided under the present law.

On the other hand, under the present law, the Federal Government provides $700 million a year in matching funds for primary, secondary, and urban State roads, whereas under the new Democratic bill—H. R. 7072—the Federal Government will provide $725 million the first year, or only $25 million a year more than is provided by the present law.

In other words, the new Democratic bill increases Federal allowances for the interstate system of highways by more than a billion dollars a year and allows an increase in Federal funds of only $25 million for all other types of roads.

I am not objecting to this. I am objecting, however, to making users who confine their operations almost entirely to primary, secondary, and urban State roads, on which very little additional money will be spent under the Democratic bill, pay an enormously increased tax to finance an interstate system of highways for those truckers who do use the interstate system.

A DEMOCRATIC BILL

In this speech I repeatedly have referred to H. R. 7072, the bill to impose $850 million in new and additional taxes on automobile and truck owners as "the Democratic bill."

I call it "the Democratic bill" because it was prepared and drafted in a series of conferences of the Democratic members of the Public Works Committee to which no Republican members of the committee were invited.

These secret meetings of the Democrats to draft their bill to increase taxes by $850 million extended from June 1 to June 28 when, on the last date their bill, H. R. 7072, was introduced. No Republicans were invited to any of these meetings. The bill, H. R. 7072, and its proposal to boost taxes by $850 million therefore is a 100-percent Democratic proposal.

It often is said that the users of the highways should pay for them. Of course highway users should. As a matter of fact the highway users for years in the past and even now, already, are paying enough in special taxes to finance the entire proposed expanded highway program.

The trouble is and has been that the money motorists have paid in special Federal taxes has not gone into building highways. It has gone for all other kinds of purposes, including foreign aid and the construction of highways, power dams, and buildings in foreign lands.

For years now the automobile and truck owners of our Nation have been paying special excise taxes on new cars, on new trucks, on tires, on automobile accessories, on gasoline and on diesel fuel. These special automotive taxes, paid almost exclusively by automobile and truck owners have brought into the Federal Treasury more than $2 billion annually. Yet, throughout the past 10 years the Federal Government never has provided more than $575 million in any year for highway construction despite the fact that it was collecting four times that amount in special taxes from automobile and truck owners.

The Federal Government never has put back into Federal highway construction at any time in the past even as much as it collected from the 2-cent gasoline tax alone. The collections from the gasoline tax in recent years has exceeded $800 million annually of which never more than $575 million and often less than that, has been spent on highways.

Not until the Republican Congress last year at President Eisenhower's urging enacted legislation increasing appropriations for highway spending to $850 million a year has our Government approached spending as much on highways as it collected from the gas tax. None of the money collected in excise taxes on new cars and trucks, on tires, on tubes and on accessories has gone to highway building. These taxes were and are being paid exclusively by highway users. None of these revenues, however, has been or is being spent for highway building or betterment—except that some of it is being spent to build highways abroad for foreign countries.

MANY INJUSTICES IN BILL

There are a number of injustices in the democratic highway bill that ought to be corrected. Among these are:

First. The increasing of the tax on truck tires from 5 cents a pound to 50 cents a pound is a tenfold, 1,000 percent, increase in tire taxes. Such an increase is exorbitant. Under the tire tax proposal of the Democrats a tire that sells for $100 will be taxed approximately $50 or 50 percent of its retail price. No other commodity, even whisky or cigarettes, is based so excessively.

Second. The tax on tubes, now 9 cents a pound, under the Democratic bill will be increased to 50 cents a pound. I make the same complaint against the proposed tube tax as I do to the tire tax. Both are excessive.

Third. Practically all of the increased highway money to be raised by the tax increases proposed in the Democratic highway bill will be spent on the interstate highway system and little of it on the other roads. Yet, automobile and truck owners whose equipment is seldom or never on the interstate highway system will be taxed just as heavily under the Democratic bill (H. R. 7072) as those truck owners who operate almost exclusively over interstate roads. The taxes on school busses and city bus lines, for example, which operate exclusively over city streets and rural roads will be taxed, comparatively, just as much as the heavy truckers who use interstate highways almost exclusively.

Fourth. The gasoline that goes into on-the-farm tractors and other farm equipment used entirely on farms and never on any highway, gasoline that is used in motor boats or in the operation of aircraft will be taxed at the same rates as gasoline used in trucks that travel the interstate and other roads of the Nation.

Fifth. The Democratic bill will be unfair to independent tire dealers unless one important change is made. Under the Democratic bill, the independent tire dealer will be required to pay the proposed 50-cents-a-pound tire tax the instant he buys tires from the factory. On the other hand the factory-owned retail outlet will not pay the 50-cents-a-pound tire tax until the factory's tire station actually sells the tire to a consumer. This will give the factory-owned retail tire stores a substantial advantage over independent tire dealers.

Sixth. The diesel fuel tax is to be raised by the Democratic highway bill from 2 cents a gallon to 6 cents a gallon. The retail outlet that sells diesel fuel must collect the 6-cents-a-gallon diesel fuel tax and forward the tax money to the Federal Government with suitable reports. Every little service station handling diesel fuel, therefore, will be a tax-collection agency entailing great extra work on the service-station operators for which they will receive no compensation. In the case of gasoline the tax is collected at the wholesale level thus simplifying collection by the Government and relieving the service-station operators of the onerous work of collecting and reporting tax collections. Something like this ought to be worked out for handling diesel fuel tax collections.

Seventh. The Democratic highway bill proposes that the collection of the new and additional taxes on gasoline, diesel fuel and tires which it is anticipated will yield about $70 million a month shall start within about 30 days after the Democratic bill becomes law, if it does become law. Actual construction work on the proposed expanded highway program, however, will not start until about a year after the collection of taxes is begun. Automobile and trucker owners, therefore, will not be paying for the improved roads as they use them. They will be paying in advance for them.

Eighth. While the imposing of the $850 million in new and additional taxes in the Democratic highway bill creates

and leaves the impression that this additional tax money is to be spent on bettering highways there is nothing in the bill that says that this $850 million is to be used for highway work. The $850 million like most other taxes will go into the general Treasury. If for any reason some future administration decides not to go ahead with highway construction, as outlined in the bill H. R. 7072, and stops or curtails highway building, the increased taxes will continue in effect anyway, even if the highway program proposed is curtailed, lags, or is stopped.

Considering that in the past only about 25 cents out of each dollar collected from automobile and truck owners in taxes has gone into highway building the proposed $850 million tax increase proposed by the Democrats, should it be adopted, should be tied down and earmarked for exclusive use on the highways.

There never have been any hearings on the tax proposals in the Democratic bill. Certainly those upon whom $850 million in new taxes are to be imposed, if the Democratic majority of the committee has its way, should be given an opportunity to be heard.

What Is Agricultural Land Worth Today?—Fifty Years From Now

EXTENSION OF REMARKS

OF

HON. HENRY ALDOUS DIXON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. DIXON. Mr. Speaker, near 100 years ago Horace Greeley said: "Go West, young man, go West." Land was free almost for the asking: That day has passed. There is no longer a western frontier. Good land can no longer be had for the asking. It has to be reclaimed. This means clearing, draining, leveling and/or applying water under irrigation in order to make it productive.

It is estimated that 20 to 25 million acres in the United States might be reclaimed by clearing and draining. Another 6 million acres of available land is subject to irrigation. When these acres are reclaimed land expansion will cease but the demand for land will go on and the price will go up.

Land without water in the arid West is worth only what it will produce as dry range land. With water it becomes highly productive and its value greatly increases. The history of 50 years of reclamation indicates that the value of land and water when first joined is only from one-half to one-fourth the value 40 years later. On the Strawberry project in Utah in 1915 water costing $120 per ace was put on land, that at that time was selling—land and water—for $50 per acre. The $120, however, was not a cash payment. It was paid over a period of 40 years. Today that same land is selling for $500 to $600 per acre.

The cost of supplying irrigation water for lands in the Colorado River storage project and participating projects is higher when considered in terms of the present but when considered in terms of the value of the land 50 years from now it is very reasonable.

For example, for the participating projects included in S. 500 the average cost per acre saved is $545. The maximum is $715 and the minimum $190. When it is recognized that these costs will be paid over a 50-year period the market value at any year in the payout period will be greater than the cost of land and water up to that year. If history repeats itself the market value of the land at the end of the payout period will be nearer four times the cost of putting water on the land.

Based on past experience an average farm is bought and paid for once every generation. This means a given farm may be bought and paid for twice during the payout period.

Wherever good land and good water are joined under good management so that the annual net return is sufficient to pay the annual operation, maintenance and replacement costs plus an increment sufficient to return the capital investment in 50 years, it is a good investment for the Government because the value of the indirect benefits will always exceed the interest cost on the investment.

The per acre irrigation costs on the Colorado River storage project are high but not excessive or unreasonable. The first cost will be fully repaid and the indirect benefits will more than offset the theoretical cost of the interest-free money.

Kremlin Agents at Fort Monmouth

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. SMITH of Wisconsin. Mr. Speaker, under leave to extend my remarks, I am including an article by myself which appeared in the National Republic for July. I believe this article will be of interest to all Members of the House and it indicates the method used by Russia to keep informed on United States military matters.

The article follows:

KREMLIN AGENTS AT FORT MONMOUTH

(By Hon. LAWRENCE H. SMITH, United States Representative from Wisconsin)

The American people do not understand how Russia manages to keep abreast of the United States in modern airpower. The answer is suggested in a recent Senate report on subversion and espionage in the Army Signal Corps. As in the days of the atom bomb development, 1941–45, the Kremlin has managed to steal every military secret in aviation radar and electronics, principally through a carefully planned espionage ring centered upon the top secret research and development work carried on at the Army Signal Corps' Fort Monmouth, N. J., radar laboratories. During the years 1942–45, the Kremlin got every new electronic device and invention, almost as fast as it was perfected.

Senate report No. 230, published April 25, 1955, by the Permanent Subcommittee on Investigations (Committee on Government Operations), delineates the whole picture of Communist infiltration at Fort Monmouth.

"The responsible officials in charge of security matters were grossly negligent and incompetent in failing to take proper action in the cases of individuals where there was information that they were loyalty or security risks," the committee report concludes. "The subcommittee was unable to ascertain from the Army at which echelon the removal of security risks was disapproved."

Espionage reports from the FBI were ignored by the Army Signal Corps.

"The FBI and Army Intelligence repeatedly furnished information to the Army Signal Corps concerning individuals considered to be very dangerous to the security of this country. These loyalty and security risks were retained by the Army Signal Corps after complete facts had been furnished about them. * * * The Rosenberg spy ring successfully penetrated the Army Signal Corps and related private commercial establishments. This espionage ring took and obtained secrets from the Army Signal Corps and transmitted them to the Soviet Union. The operation of the Rosenberg ring, which had as one of its purposes the obtaining of radar secrets for the Soviet Union, may, on the basis of available evidence, still be operating."

The Senate inquiry into Communist espionage in the Army Signal Corps began early in 1953, when Senator JOSEPH R. MCCARTHY was Chairman of the Committee on Government Operations. With organization of the new Senate in 1955 the Democrats took over control of all committees. Senator JOHN L. MCCLELLAN of Arkansas then replaced MCCARTHY as Chairman of Government Operations. The report on subversion and espionage in the Signal Corps covers only the period of the MCCARTHY inquiry. The Democrat members of the Permanent Subcommittee on Investigations specifically disassociated themselves from Senate Report 230 with the statement "we cannot accept either the credit or responsibility for this report." This statement was signed by Senators MCCLELLAN, JACKSON of Washington, and SYMINGTON of Missouri.

In January 1953, Senator MCCARTHY received a confidential report naming 34 individuals, principally at the Signal Corps Radar Laboratories at Fort Monmouth. These reports were based chiefly on FBI investigations begun in 1947.

The Senate hearings began in August 1953, and continued until March 1954, with 126 witnesses examined in executive session, plus some 200 staff interviews with officials and Army officers. Of the first 126 witnesses examined, 41 invoked the fifth amendment when interrogated on subversive activities and Communist affiliations.

"It was established during the investigations that the Rosenberg spy ring obtained secrets from the Army Signal Corps and transmitted them to Russia. Julius Rosenberg and his wife, Ethel Greenglass Rosenberg, were convicted and executed for conspiracy to commit espionage. Rosenberg successfully used Signal Corps contacts in attempts to obtain contracts for two companies with which he was associated. He made frequent trips to Signal Corps officials in Philadelphia for the dual purpose of ob-

taining these contracts and seeing his espionage contacts. While Rosenberg was employed at the Army Signal Corps installation at the Emerson Radio Co., he stole the proximity fuse and handed it over to a Russian agent."

The committee named Joel Barr as one member of the Rosenberg spy ring. He had been employed in the radar laboratories at Fort Monmouth and later at the Sperry Gyroscope Co., which was engaged in secret military production. Barr since has fled the United States and "is reported to be living behind the Iron Curtain."

Another member of the Rosenberg spy ring and a close Barr associate was Vivian Glassman, wife of Ernest Pataki, a former employee of the Federal Telecommunications Laboratory, at Nutley, N. J. Pataki was identified as "a member of the secret Communist Party cell, which operated at the laboratories." A third civil employee identified as a member of the Rosenberg spy ring at Fort Monmouth was Alfred Sarant. He too since has fled the country and is now reported to be living behind the Iron Curtain.

Morton Sobell, a fourth member of the Rosenberg apparatus is now serving a 30-year prison sentence for conspiracy to commit espionage. He had been employed by the Reeves Instrument Corp. which was engaged in classified work for the Army Signal Corps. "It was determined that the operation of the Rosenberg spy ring, which had as its purpose the obtaining of radar secrets for Russia, never stopped and could possibly be continuing to this very day," the committee report continues (p. 3).

David Greenglass, brother of Rosenberg's wife, was interviewed by members of the McCarthy subcommittee in the penitentiary at Lewisburg, Pa., where he is now serving a 15-year term for his connection with the Rosenberg conspiracy. This interview was held on November 24, 1953. It inquired into the Kremlin conspiracy to steal the atomic-bomb secrets. At one point the committee asked Greenglass. "Did you give atomic secrets to Rosenberg and to Henry Gold for transmission to Russia?"

"Yes, when I was stationed at Los Alamos at the atomic-bomb project, I passed sketches and other information on the bomb to Rosenberg and to Gold at their request."

At another point Greenglass related that Rosenberg had admitted to him in conversation that while he was employed by the Signal Corps at Emerson Radio Co. "he stole the proximity fuse and gave it to the Russians (p. 4).

This espionage ring later transmitted to Russia the basic secrets of the United States guided missile program.

The committee report reveals that some of these basic defense secrets were stolen as long ago as 1937–39.

The report names 18 employees of the Federal Telecommunications Laboratories at Nutley, N. J., as members of the Communist Party cell in that operation.

The report also reveals that a special unit of the Communist Party, called the Shore club, was organized in Monmouth County, N. J., "for the specific purpose of infiltrating the secret Army Signal Corps Laboratories at Fort Monmouth."

Andrew J. Reid, who had been attached to the security office at Fort Monmouth for 13 years, told the committee he had repeatedly furnished his superiors the names of many employees he considered very dangerous. But nothing happened. The suspected employees were kept on year after year.

One member of the Rosenberg group had been employed at Fort Monmouth for 15 years. His wife, when finally obtained by the Senate committee, showed that as early as 1946 he had been charged with having 43 classified documents belonging to the Army Signal Corps in his private apartment. For this gross violation of security he had been suspended for 10 days. Later he was promoted to be chief of one of the most important radar sections at Fort Monmouth.

After examining this personnel file at Fort Monmouth the Senate committee asked the Army for a complete photostatic copy of the record. Some days later when the photostats were delivered "it was discovered that the Army had removed certain documents," before transmitting the personnel file to the committee.

Aaron Coleman, the principal covered in this personnel file, was identified in the report as having attended a meeting of the Young Communist League with Julius Rosenberg in 1937.

"Who took you to the meeting of the Young Communist League?" Coleman was asked.

"Rosenberg," he responded.

Coleman and Rosenberg had been students together at the College of the City of New York, where both had been active in the Young Communist League, along with Morton Sobell, Joel Barr, Henry Nathan Shoiket and Morris Savitsky.

Three employees of the Federal Telecommunications Laboratories at Nutley, N. J., testified it was common knowledge around that plant that Harry Hyman, another employee, "was connected with the Communist Party." During his examination by the committee, Hyman invoked the fifth amendment more than 50 times.

Another witness disclosed that Hyman had made "several hundred telephone calls" from his New Jersey base to Army Signal Corps employees in such widely scattered installations as the Aberdeen Proving Ground, Aberdeen, Md., Fairchild Airplane Corporation, Farmingdale, N. Y., Navy Air Rocket Testing Station, Dover, N. J., Air Force Transportation Depot, Newark, N. J., and the Electronics Research Associates, North Caldwell, N. J. In response to questions about these calls, Hyman in each case invoked the fifth amendment.

The Senate committee staff document 76 phone calls from Hyman to the Federal Telecommunications Laboratories, alone, during 1952–53.

Questioned about these numerous calls, Hyman repeatedly invoked the fifth amendment.

Ruth Weiner Levine, who had been employed by the Federal Telecommunications Laboratories more than ten years, appeared before the committee on December 11, 1953. She had been granted a top-secret clearance by the United States Air Force on March 29, 1950. This clearance gave her access to drawings and diagrams of all the secret projects under way at Nutley. Three witnesses identified Miss Levine as an active member of the Communist Party cell which operated in the FTL at Nutley. She invoked the fifth amendment on all questions relating to Communist activities and affiliations.

Albert Shadowitz, a former employee at Aberdeen Proving Grounds, Md., and the Federal Telecommunication Laboratories at Nutley, had been exempted from military service in World War II because of the importance of his classified work in radar. In invoking the fifth amendment, Shadowitz told the Senate committee he did so on the personal advice of the late Dr. Albert Einstein, who had advised him "not to cooperate with this or any other committee of a similar nature." Under Federal indictment for his refusal to answer committee questions, Shadowitz's trial now is pending.

To date 35 employees of the Army Signal Corps at Fort Monmouth have been suspended on security grounds. Eleven other workers in private-enterprise establishments engaged in top-secret military production, including General Electric, Zenith Engineering, Kay Electric, Arma Corp., and others, have been suspended, discharged, or have resigned, following publication of the subcommittee hearings. The security system at the Federal Telecommunications Laboratories has been reorganized from top to bottom.

Within 2 weeks of the beginning of the Senate committee's inquiry into Communist espionage at Fort Monmouth, a long overdue cleanup began.

While this effort apparently has not been pushed with enthusiastic vigor by the Signal Corps, the Senate report serves at least to apprise the Nation on one vital point in current history—how the Russian Air Force gained all our most prized military secrets in radar and aviation electronics.

Future historians one day will trace out precisely who was responsible for this egregious act of treason and betrayal within the Army Signal Corps.

The Immigration Picture Today

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. LANE. Mr. Speaker, under leave granted I wish to include the following address I delivered over station WORL, Boston, Mass., on Saturday, July 9, 1955:

Just a few hundred years ago, the country now known as the United States had the same rivers and mountains and plains and geographical outlines that it has today. Plus a few scattered Indian tribes.

No one else.

Now it has 166 million people. Where did they come from? Over 99 percent of them are immigrants or the descendants of immigrants.

They came in great waves, between the Civil War and World War I—hopeful and hard-working—spreading the energy of freedom across the land—developing the farms and building the cities.

What has happened to this liberating process; to the immigration that has made America?

The stream has been reduced to a trickle of 200,000 a year.

Of course we cannot throw away the gates and permit everyone to enter the United States, because we would be suffocated by the rush of those who know our country to be a paradise on earth. We could not provide accommodations and employment fast enough for them.

Everyone is agreed that immigration must be regulated in fairness to ourselves and the newcomers.

The method of regulation, however, is the subject of serious criticism.

Back in 1924 Congress established the quota system. Under this formula, each country was assigned a certain percentage of the total number of immigrants coming to the United States each year, based on that nationality's percentage of the United States population in 1920.

These ratios, while mathematically fair, indirectly favored the racial groups that first came to this country. That quota system is still the basic immigration law. Under it more than two-thirds preference is given

to the nationals of northern and western Europe. Great Britain and Ireland are assigned 55 percent of the whole. Countries like China, India, and Japan, whose people were once excluded from entry, now have quotas permitting 100 to 185 of their nationals to emigrate to our country each year.

There are some exceptions.

People from Canada, and the Republics of Latin-America, can come in any number. Wives, husbands, and children of American citizens are also free to enter.

The quota system is riddled by contradictions. Great Britain and Ireland use only one-third of their quota, while other countries have long waiting lists.

The latest figures show that 65,000 can come from Great Britain and Northern Ireland each year, but only 21,000 avail themselves of the privilege. The Irish Republic has a quota of 17,000, but only 5,000 are admitted. The Scandinavian quota is 6,000. That of France is 3,000, Poland 6,000, and Italy 5,000. Great Britain, Ireland, and Germany are permitted to send over 108,000—out of a world quota of 154,000.

Canada and South America, unlimited, send 80,000.

Families of United States citizens account for 30,000.

Total admissions, under these categories, total 208,000 each year.

The system of quotas by national origin is weighted heavily in favor of Anglo-Saxons and northern Europeans. Other Europeans, as well as the Asian races, have a very slim chance of coming to the United States as permanent residents.

Between 1945 and 1948 several laws were passed that allowed 500,000 refugees, war brides of American military personnel, and others to enter the United States outside of the quota system.

Two additional laws have led to considerable controversy.

The first, known as the McCarran-Walter Act, passed in 1952, reaffirmed the quota system, setting a limit of 154,657 on the number of immigrants who may come from Europe, Africa, and Asia each year.

The second piece of legislation was the Refugee Relief Act of 1953.

It permits 209,000 refugees to enter the United States over and above regular quotas, and before December 31, 1956. In addition, it provides visas for 5,000 refugees who are presently in the country.

The law allows 102,000 refugees from communism who are temporarily living in Western Europe, the NATO nations, and Iran to find sanctuary here. Provision is made for 2,000 refugees from Palestine, 7,000 from the Far East, and 94,000 Italians, Greeks, and Dutch, as well as 4,000 orphans. Of this total of 209,000, only 16,000 had been admitted up to April 8 of this year.

The delay in carrying out this program has caused considerable dissatisfaction, especially among the refugees themselves, who are discouraged by some of the unreasonable requirements.

To get a visa he must give satisfactory personal history for 2 years preceding his application. In our strict efforts to screen these people in order to prevent subversive elements from being smuggled into the United States under the refugee law, we are penalizing good and innocent people. In many cases, due to the fact that they have fled from Soviet-occupied countries, it is impossible for them to prove their personal history for the 2 years preceding their application.

Oftentimes because they have no relatives or friends in the United States, they cannot obtain guaranties of jobs and homes from United States citizens.

Religious and charitable organizations are doing their best to assist these people, but Government redtape continues to "foul up" the implementation of the Refugee Relief Act.

The McCarran-Walter Immigration Act was passed over President Truman's opposition and his veto.

The Refugee Relief Act was later passed to ease its severity, which was causing us to lose goodwill among our friends and allies abroad. Relief was turning out to be repressive.

In January 1955, Edward Corsi, of New York, prominent Republican, was hired to get the Refugee Relief Act going. After 3 months he was fired by Secretary of State John Foster Dulles. This touched off a storm of charges and countercharges.

Senator HERBERT LEHMAN, Democrat, of New York, introduced a bill to correct deficiencies in the act.

President Eisenhower recommended a similar bill.

The Democratic and Republican bills agree that religious and welfare organizations in the United States should be given more opportunity to sponsor immigrants, and that the requirement of a detailed 2-year personal history prior to application should be repealed.

Summing up this new approach to the problem, the President observed on May 27, and I quote: "This 2-year history in the case of recent escapees is often impossible to obtain. Yet these are the very people who have been actively stimulated to risk the perils of escape by our own information program broadcast throughout the Iron Curtain. I have faith in the competence of our security personnel, and I recommend that this inflexible requirement be eliminated from the law, leaving it to the sound discretion of the security officer to make his recommendations on the basis of all the facts available."

Previously, on January 2, 1953, President Truman's Commission on Immigration and Naturalization advised that the McCarran-Walter Act should be completely revised because it was "an arrogant, brazen instrument of discrimination based on race, creed, color, and national origin."

To me, as a Congressman, it seems a cruel breach of faith that we should urge people to escape from Communist-controlled countries, and then permit them no opportunity to come to a free country.

Or to turn our backs upon such good friends as the Italian and Greek peoples, who have sacrificed so much for freedom's cause, only to find that they are less welcome as immigrants than others who have less desire to come to the United States.

The McCarran-Walter Act increased the 1924 quotas by only 657, even though immigration has been scanty since 1924, and even though our country is much stronger economically and in a position to accommodate more refugees from tyranny, poverty, and despair.

We could at least double the quotas to 300,000 and easily assimilate the newcomers.

Commonsense would declare that we should pool unused quotas, and assign them, at least temporarily, to those people who must presently wait for years before they can ever hope to be admitted to the United States.

Leading clergymen of all faiths and officials of our labor unions strongly support a more liberal immigration policy in keeping with our traditions and our growth.

No wonder that other nations find it difficult to understand us when we preach freedom on one hand and become unduly suspicious of others by some of our actions.

People rightfully resent the lopsided quota system which, in effect, grades the nationals of the various nations, tabbing some as preferred candidates and others as unwanted.

They are inclined to believe that we talk a great game of freedom, but fail to play it on the level.

Evidence of this is found in the law which treats naturalized citizens as inferior to those who were born in this country. You and I believe that all citizens are equal, but the law makes unfair distinctions. Under it naturalized immigrants can be deprived of their citizenship and evicted from the country, whereas native-born citizens are not subject to these fears and anxieties.

We must be guided, of course, by certain measures necessary to our security, but that is no justification for a narrow and rigid immigration policy which betrays the fact that we are not sure of ourselves.

Nor is it any excuse for a Refugee Relief Act whose clear intent is being sabotaged by the State Department.

Snobbishness is alien to the true American spirit.

Up to this strange cold war era, the assumption has been that a person wanting to come to the United States, being of good health and good character, would respond to the opportunity and become an asset to himself and to the country of his adoption.

That faith has been vindicated in so many tens of millions of individual cases, making our great Nation what it is today, that it is difficult to understand how any American can distrust it now.

The present immigration curtain bears an odious resemblance to the Iron and Bamboo Curtains.

It is a betrayal of fundamental American principles, and is an insult to our friends abroad.

The sooner we unbend and take the wraps off the Statue of Liberty the better will be our leadership of the free world.

The United States can never afford to become isolationist or sufficient unto itself.

Let us welcome more of the oppressed and hopeful to our land.

Proving our faith in freedom and humanity.

Facts Versus Fiction on Surplus Crops From the Colorado River Storage Project

EXTENSION OF REMARKS

OF

HON. HENRY ALDOUS DIXON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1955

Mr. DIXON. Mr. Speaker, on May 19, 1955, the gentleman from southern California [Mr. HOLIFIELD] spoke in opposition to the upper Colorado River storage project. Because his talk conveyed many misimpressions, I requested the opportunity to reply so that the facts can be brought to light.

He began his attack upon the Colorado River storage project with this statement:

> Here we are confronted with two conflicting policies both endorsed by the President. One policy calls for sharp reductions in farm price supports and a decrease in agricultural acreage. The other calls for spending enormous sums of public money to build two extremely costly desert reclamation projects which would produce more farm products to be supported by the Nation's taxpayers.
>
> I feel sure that the administration leaders realize they have created a dilemma that

can lead to serious difficulties for them. I also feel that the Nation is entitled to an explanation as to how this conflict is to be resolved. (RECORD, May 19, p. 6681.)

In essence, Mr. Speaker, the gentleman from southern California says: Why build the upper Colorado River storage project, which will bring more land into production when we already have staggering surpluses?

These two major policies on the surface do appear perhaps to be in conflict; however, when certain specific factors are considered in detail they make it abundantly clear that there exists no conflict between our agricultural and reclamation programs, at least insofar as the upper Colorado River storage project is concerned. Such factors include:

First. The nature of agriculture and the type of crops grown in the upper basin States of Utah, Colorado, Wyoming, and New Mexico, and their relationship to the current problem of agricultural surpluses.

Second. The anticipated elimination of the present surpluses by the Department of Agriculture by 1962.

Third. Anticipated population changes and projected food and fiber requirements by 1975.

Fourth. Our ability to meet the projected food and fiber requirements in light of the anticipated increase in population growth by 1975.

Detailed consideration of and elaboration with respect to the facts concerning these four items and their inter-relationships will provide the explanation to which the gentleman from southern California rightly says the Nation is entitled. However, such detailed consideration must necessarily be lengthy. So, Mr. Speaker, rather than replying in the manner in which the gentleman from southern California made his attack upon the Colorado River project, I shall present only part of the true facts today with the other parts to follow on consecutive legislative days.

Now, Mr. Speaker, first let us examine the present status of the price support program and Mr. HOLIFIELD'S remarks thereto. As he put it:

The flood from the farms continues to pour in on the Commodity Credit Corporation. (RECORD, May 19, p. 6681.)

As of April 30, 1955, according to a news release dated June 7, 1955, from the Department of Agriculture, the investment of the Commodity Credit Corporation in price-support commodities amounted to $7,261,338,000. This was made up of loans outstanding in the amount of $2,692,553,000 and the net value of inventories in the amount of $4,568,785,000.

The interesting thing which this press release reports though, Mr. Speaker, is the fact that four basic commodities—cotton, corn, tobacco, and wheat—accounted for all but a small portion of the nonrecourse commodity loans made by the Commodity Credit Corporation. Of the loans outstanding, these four commodities, supported under the rigid 90-percent price support program, amount to $2,295,127,235 in the following amounts:

Cotton, upland, 6,639,106 bales	$1,134,908,935
Corn, 273,276,386 bushels	427,157,476
Tobacco, 804,857,653 pounds	404,968,344
Wheat, 145,269,213 bushels	328,092,477
Total CCC loans	2,295,127,235

With respect to the cost of these price-support programs on the basic commodities—wheat, corn, cotton, tobacco, peanuts, and rice, Secretary Benson told the House Agriculture Committee, of which I am a member, during the hearings on H. R. 12 that—

The total realized cost directly chargeable to the basic commodities during the period 1932–54 is $5,077,100,000 for all programs primarily for the stabilization of farm prices and income attributable to the basic commodities as follows:

	Millions
Corn	$1,228.2
Cotton	1,581.4
Peanuts	163.0
Rice	35.3
Tobacco	97.0
Wheat	1,972.2
Total	5,077.1

These realized costs for basic commodities are attributable to the following programs:

	Millions
CCC nonrecourse loan purchase and payment programs	$198.1
CCC supply, commodity export, and other activities	59.6
International Wheat Agreement	602.4
Emergency assistance to Pakistan and other friendly peoples	73.1
Removal of surplus agricultural commodities	556.3
Federal Crop Insurance	71.6
Acreage allotment payments under the Agricultural Conservation program	1,666.3
Agricultural Adjustment programs (principally acreage allotments and marketing quotas)	76.7
Parity payments	967.1
Retirement of cotton pool participation trust certificates	1.3
Agricultural Adjustment Act of 1933 and related acts	505.6
Agricultural Marketing Act revolving fund and payments stabilization corporations for loans incurred	286.4
Distribution costs on CCC stocks for emergency feed program	12.6
Total	5,077.1

(Hearings on H. R. 12, pp. 47 and 50.)

Now let us next examine the relationship between the surpluses of basic commodities and the type of agriculture pursued in the four upper basin States of Colorado, Utah, Wyoming and New Mexico. The outstanding fact, Mr. Speaker, is that there is very little connection between these present surpluses on basic commodities, which I described in detail a moment ago, and the type of agricultural products which primarily are now produced in these four States and which will continue, by and large, to be produced on the lands irrigated by Colorado River water when the participating projects are built. Why? Simply because the primary crops grown in the four upper basin States in question are not in surplus and are not likely to be in surplus. Also I might add that the primary commodities produced are not now enjoying the benefits of the Department of Agriculture's price support program.

In Utah, only 7 percent of the cash receipts of farmers in 1953 came from the sale of basic commodities—notably wheat. But 99 percent of this wheat not only is nonirrigated, but also is grown in those parts of the State which will not benefit from Colorado River water brought into the States through any of the proposed participating projects.

In Colorado, farmers received about 18 percent of their income in 1953 from the sale of basic commodities, of which 17.6 percent is derived from wheat. But, and this is important to remember, this Colorado wheat is grown mostly in eastern Colorado on "dry-farmed" land. This area also will not receive or be the beneficiary of Colorado River water. Wyoming farmers received 8 percent of their 1953 income from the sale of basic commodities. Now New Mexico farmers received 38 percent of their income in 1953 from basic commodities. It is true that 37 percent of this was derived from the sale of cotton produced in southern New Mexico. But this cotton will be grown whether the Colorado River project becomes law or not. Only one proposed participating project is located in New Mexico—the San Juan Chama—but even if it were constructed, none of its waters would find its way to this area.

It is evident, Mr. Speaker, that the type of crops grown in these four upper basin States on land which will receive water diverted from the Colorado River are not in surplus. But then the logical question arises: What is the nature of agricultural production in these upper basin States? The answer is that cattle and sheep and dairy products comprise the main commodities produced in these four States. For example, in 1952, according to the United States Bureau of the Census, 70 percent of the income which Utah farmers received was derived from the sale of livestock. Nor has the situation altered very much since that time. The publication, Statistical Summary, published in May 1955, by the Agricultural Marketing Service of the Department of Agriculture, indicates that Utah farmers for the month of March 1955 derived 84 percent of their income from livestock and its products, and 82 percent in April 1955 according to the Statistical Summary just released. Thus it is evident that agriculture in the upper basin States is fairly well limited to the type of commodities that can be grown and raised on mountain and desert ranges and in our high altitude valley. For diversification it does not compare with California, which is perhaps the greatest diversified agricultural area in the world.

The nature of agricultural production and its dependence upon water development such as the Colorado River storage project in the Colorado Basin has been very ably described by the President's

Water Resources Policy Commission in 1950 as follows:

Range use and irrigation developments are somewhat complementary in the Colorado Basin. Although the range is used by a large proportion of the livestock year-long, the production of hay for feed and the use of irrigated lands for pasture contribute an important farm use. In the upper basin, livestock farms predominate, averaging nearly 40 percent of all farms, and ranging from 78 percent in Wyoming to 28 percent in New Mexico. In the lower basin almost 37 percent of the farms are livestock and dairy farms. * * *

Cropland is a necessary adjunct to the range because of the need for providing supplemental feed to carry stock through severe winters and dry summers. Effective use of the range is not possible without forage from croplands, and many croplands would have little value except in connection with the use of rangeland.

Unquestionably as additional water is made available for irrigation, there will be an expansion in pasture feeding, permitting greater integration of range and pasture use. As population in nearby States increases, the percentage of finished stock is almost certain to increase. (Ten Rivers in America's Future: No. 5 Colorado River, vol. 2, pp. 80–81.)

This conclusion, Mr. Speaker, is also borne out by the 1954 Agricultural Census of Emery County, Utah, which was just released by the United States Census Bureau. Now, I should like to call to your attention the fact that the participating project known as the Emery County project will provide water for 3,630 acres of new land and supplemental water for 20,080 acres of land which now has only a partial supply in Emery County, Utah.

The 1954 census figures for Emery County indicate that there are in Emery County, Utah: 725 farms or ranches, of which 403 produce only cattle; only 20 produce grains—wheat, barley and oats; only 51 are dairy farms; only 36 are poultry farms; only 5 are fruit farms; only 30 are diversified or general farms; and 180 are classified as miscellaneous, most of which are not producing crops for sale.

It is evident, therefore, that the lands which will receive project water will not be used in the production of the crops, vast amounts of which the Commodity Credit Corporation has acquired.

This concludes my remarks today, Mr. Speaker, in reply to Mr. HOLIFIELD's May 19, 1955, attack upon the upper Colorado River storage project. Tomorrow, I shall continue my reply by discussing another aspect of his unwarranted attack relating to the type and quantities of agricultural commodities to be grown on Colorado River project lands.