There are certain facts about reclamation that are unassailable.

Domestic reclamation project costs are repaid to the Treasury; foreign project costs are not.

Domestic reclamation projects increase Treasury income; foreign projects do not.

Domestic reclamation projects create new United States wealth; foreign projects do not.

But, in spite of these facts, the Government has spent and given away more money to build irrigation, reclamation, power, and related projects in the far-off countries within the foreign-aid sphere than it has invested in reclamation projects within our own continental boundaries. And many Members of Congress continue to vote for these foreign projects and then vote against the projects in our own United States. It is nearly impossible to reconcile these two votes.

You might as well try to grow corn on the Sphinx.

SENATE

WEDNESDAY, JULY 27, 1955

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

God of our fathers, facing tasks that tower above our power to achieve, with a sense of our utter inadequacy when left with our own devices, we bow for the strengthening benediction of our morning prayer. Keep our goals clear, our hearts pure, our spirits courageous, in all the tangled tragedy of our ailing world. By Thy kindly light, as we follow it patiently and obediently, lead us and all men to a realm where peace and good will shall reign, to a kingdom of human rights where mouths shall not cry for bread, where hands and feet shall not be shackled, where speech shall not be silenced, where eyes shall not be bandaged nor minds darkened by distorting lies which hide the light of truth. We ask it in the name of that One who is the truth and the way and the life. Amen.

THE JOURNAL

On request of Mr. BIBLE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 26, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 26, 1955, the President had approved and signed the following acts:

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

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

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

S. 467. An act for the relief of Dr. Luciano A. Legiardi-Laura;

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

S. 1139. An act to extend the existing authority for the loan of a small aircraft carrier to the Government of France;

S. 1250. An act to declare Pike Creek above the easterly side of the highway bridge at Sixth Avenue in the city of Kenosha, Wis., a nonnavigable stream; and

S. 1464. An act to authorize the Secretary of the Interior to acquire certain rights-of-way and timber-access roads.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had insisted upon its amendments to the bill (S. 1093) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ABERNETHY, Mr. DAVIS of Georgia, Mr. JONES of North Carolina, Mr. MILLER of Nebraska, and Mr. HYDE were appointed managers on the part of the House at the conference.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 2107. An act to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes;

H. R. 6259. An act to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board and for other purposes," approved June 4, 1948; and

H. R. 7029. An act to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5512) to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 53) to make a change in the enrollment of S. 2428, to increase the salaries of officers and members of the Metropolitan Police force, etc.

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

H. R. 593. An act to convey by quitclaim deed certain land to the State of Texas;

H. R. 7244. An act to provide for the striking of medals in commemoration of the 120th anniversary of the signing of the Texas declaration of independence and the Battles of the Alamo, Goliad, and San Jacinto in the year 1836;

H. R. 7289. An act to authorize the States to organize and maintain State defense forces, and for other purposes; and

H. J. Res. 278. Joint resolution to provide that a gold medal be coined and presented to Dr. Jonas E. Salk in honor of his achievements in the field of medicine.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

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

H. R. 5875. An act to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes;

H. R. 7000. An act to provide for strengthening of the Reserve Forces, and for other purposes;

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

H. J. Res. 385. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 593. An act to convey by quitclaim deed certain land to the State of Texas; to the Committee on Public Works.

H. R. 7244. An act to provide for the striking of medals in commemoration of the 120th anniversary of the signing of the Texas declaration of independence and the Battles of the Alamo, Goliad, and San Jacinto in the year 1836; and

H. J. Res. 278. Joint resolution to provide that a gold medal be coined and presented to Dr. Jonas E. Salk in honor of his achievements in the field of medicine; to the Committee on Banking and Currency.

H. R. 7289. An act to authorize the States to organize and maintain State defense forces, and for other purposes; to the Committee on Armed Services.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLEMENTS, and by unanimous consent, the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

On request of Mr. CLEMENTS, and by unanimous consent, the Antimonopoly Subcommittee of the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be authorized to meet this afternoon during the session of the Senate.

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

Mr. MAGNUSON. I announce to Senators, and particularly Senators from the agricultural States who may be interested, that the hearing relates to the so-called boxcar shortage for the trans-

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portation of our bumper crops. I hope all Senators who are interested will be present. I see my good friend from North Dakota [Mr. LANGER] coming down the aisle. I know he is interested.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. BIBLE. Mr. President, under the rule, there is a regular morning hour today for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine matters. I ask unanimous consent that statements made in connection therewith be limited to 2 minutes.

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

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL REPORT OF BUREAU OF THE BUDGET

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a supplemental report on the operations of Bureau of the Budget Circular No. A-45, upon departments, agencies, and corporations of the Government for the year prior to November 1, 1954 (with an accompanying report); to the Committee on Appropriations.

EXPENSES BEFORE JUDICIAL TRIBUNALS AND ADMINISTRATIVE AGENCIES OF FOREIGN COUNTRIES OF PERSONNEL OF MILITARY DEPARTMENTS AND COAST GUARD

A letter from the Deputy for Legislative Affairs, Office of the Assistant Secretary of Defense, transmitting a draft of proposed legislation to authorize the Secretaries of the Military Departments and the Secretary of the Treasury with respect to the Coast Guard, to incur expenses incident to their representation of their personnel before judicial tribunals and administrative agencies of any foreign nation (with an accompanying paper); to the Committee on Armed Services.

REPEAL OF REQUIREMENT FOR DEPARTMENT OF THE NAVY TO PAY FOR TRANSFER OF CERTAIN REAL PROPERTY, COLUMBUS, OHIO

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to provide that the Department of the Navy shall not be required to reimburse the Reconstruction Finance Corporation for the transfer of certain real property at Columbus, Ohio (with an accompanying paper); to the Committee on Government Operations.

AUDIT REPORT ON RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Rural Electrification Administration, Department of Agriculture, for the fiscal years ended June 30, 1953 and 1954 (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONCESSION PERMIT, YELLOWSTONE NATIONAL PARK

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession permit in Yellowstone National Park (with accompanying papers); to the Committee on Interior and Insular Affairs.

APPOINTMENT IN CIVILIAN POSITION IN THE WHITE HOUSE OF MAJ. GEN. JOHN STEWART BRAGDON, UNITED STATES ARMY, RETIRED

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to authorize the appointment in a civilian position in the White House Office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

Resolutions of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Armed Services:

"Resolutions memorializing Congress to prevent the reduction in force of the United States Marine Corps

"Whereas the Secretary of Defense has proposed a reduction in the force of the United States Marine Corps; and

"Whereas the United States Marine Corps has established an outstanding record as part of the Armed Forces of the United States; and

"Whereas any reduction in force of the Marine Corps at this time would be detrimental to the best interests of the United States of America: Therefore be it

"*Resolved*, That the House of Representatives of the General Court of Massachusetts urgently requests that the Congress of the United States take such action as may be necessary to prevent a reduction in force of the United States Marine Corps; and be it further

"*Resolved*, That a copy of these resolutions be sent by the secretary of the Commonwealth to the President of the United States, to the Secretary of Defense, to the Presiding Officer of each branch of Congress, and to each of the Members thereof from this Commonwealth."

A resolution adopted by a convention of the Missouri State Federation of Labor, at Jefferson City, Mo., relating to the eradication of antilabor influence; to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 1965. A bill to repeal a particular contractual requirement with respect to the Arch Hurley Conservancy District in New Mexico (Rept. No. 1156); and

H. R. 4663. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Trinity River division, Central Valley project, California, under Federal reclamation laws; with individual views of Mr. NEUBERGER (Rept. No. 1154).

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

S. 1818. A bill to limit the amount of land on Federal irrigation projects which may be exchanged under the act of August 13, 1953 (Rept. No. 1155).

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

S. 2556. A bill to provide assistance for certain landless Indians in the State of Montana (Rept. No. 1167); and

S. J. Res. 82. Joint resolution to authorize the Secretary of the Interior to execute a certain contract with the Toston Irrigation District, Mont. (Rept. No. 1153).

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

H. R. 6373. A bill to amend the Domestic Minerals Program Extension Act of 1953 in order to extend the programs to encourage the discovery, development, and production of certain domestic minerals (Rept. No. 1161).

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

H. R. 898. A bill to provide for the approval of deeds executed by the heirs of Anna Hollywood Fickz (Rept. No. 1157);

H. R. 910. A bill to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks precinct, Alaska (Rept. No. 1158); and

H. R. 4718. A bill to authorize and direct the issuance of patent to Robert W. Retherford, of Anchorage, Alaska, to certain land in Alaska (Rept. No. 1159).

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

H. R. 3587. A bill granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Oregon and California; without amendment (Rept. No. 1166).

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

S. 2087. A bill to amend the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, so as to permit per capita payments to the individual members of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation in Wyoming, to be made quarterly (Rept. No. 1168); and

S. 2197. A bill to authorize the Secretary of the Interior to distribute equally to members of the Kaw Tribe of Indians certain moneys to the credit of the tribe in the United States Treasury (Rept. No. 1169).

By Mr. BYRD, from the Committee on Finance, with an amendment:

H. R. 6232. A bill to include as Spanish-American War service under laws administered by the Veterans' Administration certain service rendered by Stephen Swan Ogletree during the Spanish-American War (Rept. No. 1160).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 7024. A bill to remove the manufacturers' excise tax from the sales of certain component parts for use in other manufactured articles, and to confine to entertainment-type equipment the tax on radio and television apparatus (Rept. No. 1162).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 2286. A bill to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense (Rept. No. 1163).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with an amendment:

S. J. Res. 91. Joint resolution to authorize the Secretary of Commerce to sell the steamship *La Guardia* (Rept. No. 1164); and

S. J. Res. 92. Joint resolution to authorize the Secretary of Commerce to sell the steamship *Monterey* (Rept. No. 1165).

By Mr. PAYNE, from the Committee on Interstate and Foreign Commerce:

S. 2060. A bill to amend the act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to use the working capital fund, and to permit certain improvements in fiscal practices; with an amendment (Rept. No. 1171).

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

H. R. 6585. A bill to amend the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, and for other purposes; without amendment (Rept. No. 1170).

By Mr. GEORGE, from the Committee on Foreign Relations:

S. 2569. A bill to provide certain basic authority for the Department of State; with amendments (Rept. No. 1175);

S. Res. 71. Resolution favoring a reduction of armaments with a view to improving world living standards; without amendments (Rept. No. 1173); and

S. Res. 139. Resolution paying tribute to Sir Winston Churchill for his contributions in behalf of freedom and world peace; without amendments (Rept. No. 1174).

AMENDMENT OF CERTAIN LAWS PROVIDING MEMBERSHIP AND PARTICIPATION BY THE UNITED STATES IN CERTAIN UNITED NATIONS ORGANIZATIONS—REPORT OF A COMMITTEE

Mr. GEORGE, from the Committee on Foreign Relations, reported favorably an original joint resolution (S. J. Res. 97) to amend certain laws providing for membership and participation by the United States in the Food and Agriculture Organization and the International Labor Organization and authorizing appropriations therefor, and submitted a report (No. 1172) thereon, which was read twice by its title, and placed on the calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. POTTER (for himself and Mr. PASTORE):

S. 2643. A bill to promote the common defense and the general welfare of the people of the United States by encouraging maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, natural gas, and water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

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

By Mr. WELKER (for himself and Mr. JENNER):

S. 2644. A bill for the relief of Hasan Muhammad Tiro; to the Committee on the Judiciary.

By Mr. MARTIN of Pennsylvania:

S. 2645. A bill to abate taxes on distilled spirits stolen from customs bonded warehouse; to the Committee on Finance.

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

S. 2646. A bill to authorize the extension of the old-age and survivors insurance system to policemen, sheriffs, and other State or local law-enforcement officers in North Carolina; to the Committee on Finance.

By Mr. ALLOTT:

S. 2647. A bill for the relief of Martha A. McDermott Stothard; to the Committee on Labor and Public Welfare.

By Mr. SCOTT:

S. 2648. A bill to encourage the discovery, development, and production of tin in the United States, its Territories, and possessions; to the Committee on Interior and Insular Affairs.

By Mr. DWORSHAK:

S. 2649. A bill to amend the act entitled "An act to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes," approved September 30, 1950; to the Committee on Interior and Insular Affairs.

By Mr. CAPEHART:

S. 2650. A bill for the relief of Antonio Rubi Mendiola; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 2651. A bill relating to the status of hotels under the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

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

By Mr. IVES:

S. 2652. A bill for the relief of Robert Geoffrey Hunt; to the Committee on the Judiciary.

By Mr. BENDER:

S. 2653. A bill for the relief of the Grossman Music Corp.; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself and Mr. BARRETT):

S. 2654. A bill to authorize the Administrator of General Services to convey certain lands in the State of Wyoming to the city of Cheyenne, Wyo.; to the Committee on Government Operations.

By Mr. NEUBERGER (for himself, Mr. MCNAMARA, Mr. MANSFIELD, Mr. MORSE, Mr. GORE, Mr. MONRONEY, Mr. LANGER, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, and Mr. SYMINGTON):

S. 2655. A bill to provide free postage for members of the Armed Forces of the United States on active duty outside the continental United States; to the Committee on Post Office and Civil Service.

By Mr. KEFAUVER:

S. 2656. A bill for the relief of Elfriede Rosa (Kup) Kraft; to the Committee on the Judiciary.

By Mr. CASE of New Jersey (for himself, Mr. MCNAMARA, Mr. MORSE, Mr. BEALL, Mr. ALLOTT, and Mr. BIBLE):

S. 2657. A bill to provide that the compensation of the Commissioners of the District of Columbia shall be at the rate of $20,000 each per annum; to the Committee on the District of Columbia.

By Mr. MCNAMARA:

S. 2658. A bill for the relief of Abdul Aziz Jaber; to the Committee on the Judiciary.

By Mr. BENDER:

S. 2659. A bill to provide for a suitable and distinctive lapel button which may be worn by veterans of the Korean hostilities; to the Committee on Armed Services.

By Mr. LEHMAN:

S. 2660. A bill to amend the Social Security Act to increase the maximum permissible Federal financial participation in the plan for aid to dependent children of the Virgin Islands and to permit payments under such plan to relatives with whom dependent children are living; to the Committee on Finance.

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

By Mr. HICKENLOOPER (for himself and Mr. MARTIN of Iowa):

S. 2661. A bill for the relief of Viola Grace Smith; to the Committee on the Judiciary.

By Mr. WELKER:

S. J. Res. 96. Joint resolution providing for the revision of the Status of Forces Agreement and certain other treaties and international agreements, or the withdrawal of the United States from such treaties and agreements, so that foreign countries will not have criminal jurisdiction over American Armed Forces personnel stationed within their boundaries; to the Committee on Foreign Relations.

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

By Mr. GEORGE:

S. J. Res. 97. Joint resolution to amend certain laws providing for membership and participation by the United States in the Food and Agriculture Organization and the International Labor Organization and authorizing appropriations therefor; (a reported original joint resolution) placed on the calendar.

ENCOURAGEMENT OF DEVELOPMENT OF LOW-COST ELECTRIC ENERGY

Mr. POTTER. Mr. President, on behalf of the distinguished Senator from Rhode Island [Mr. PASTORE] and myself, I introduce, for appropriate reference, a bill to promote the common defense and the general welfare of the people of the United States by encouraging maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, natural gas, and water, and for other purposes.

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

The bill (S. 2643) to promote the common defense and the general welfare of the people of the United States by encouraging maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, natural gas, and water, and for other purposes, introduced by Mr. POTTER (for Mr. PASTORE and himself), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. POTTER. Mr. President, the bill will provide encouragement for commercial groups which are giving their support to the research of atomic energy to the end that low-cost electric power may be facilitated.

I know we are all mindful of the very real possibility that our present sources of energy may some day be depleted and that such research must be encouraged.

In this bill there is no possibility that any of its provisions shall remove from State or Federal agencies the regulatory powers they now exercise.

It is rather the danger of impediment to groups not in the utility business which must be removed so that their support for this work may be continued without subjecting them to the provisions of the Holding Company Act designed specifically for such utilities.

The Senator from Rhode Island [Mr. PASTORE] has joined me in sponsoring the bill because he feels as I do that the objectives are in the interest of users of electric power which must be available at the lowest possible cost now and in the future.

FREE MAILING PRIVILEGES FOR CERTAIN MEMBERS OF THE ARMED FORCES

Mr. NEUBERGER. Mr. President, it is extremely unfortunate that the administration has allowed to let die the free mailing privileges which were so important to so many persons in the armed services.

On behalf of myself, the Senator from Michigan [Mr. McNamara], my colleague, the senior Senator from Oregon [Mr. Morse], the Senator from Montana [Mr. Mansfield], the junior Senator from Tennessee [Mr. Gore], the Senator from Oklahoma [Mr. Monroney], the Senator from North Dakota [Mr. Langer], the Senator from South Carolina [Mr. Johnston], the senior Senator from Tennessee [Mr. Kefauver], and the Senator from Missouri [Mr. Symington], I introduce, for appropriate reference, a bill to provide free postage for members of the Armed Forces of the United States on active duty outside the continental United States.

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

The bill (S. 2655) to provide free postage for members of the Armed Forces of the United States on active duty outside the continental United States, introduced by Mr. Neuberger (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO THE VIRGIN ISLANDS

Mr. LEHMAN. Mr. President, I introduce, for appropriate reference, a bill to amend the Social Security Act to increase the maximum permissible Federal financial participation in the plan for aid to dependent children of the Virgin Islands and to permit payments under such plan to relatives with whom dependent children are living, which is now pending before the Senate Finance Committee.

The amendment is a relatively minor one. It would merely modify certain limitations in the public assistance titles establishing a new top limit on the amount of Federal matching funds that can be made available for public-assistance payments in the Virgin Islands.

This proposed amendment is urgently proposed and requested by the officials of the Virgin Islands and I hope the Senate Finance Committee will see fit to adopt it. In effect, it merely raises the present limit of $160,000 to $300,000. There is no such limit—no limit of any kind—on the amount of Federal matching funds that can be made available for public-assistance grants in any State of the Union, in Hawaii, Alaska, or the District of Columbia.

When Congress passed the original Social Security Act in 1935, the Virgin Islands were not included under that act. Subsequently, however, the Virgin Islands were included in a number of the public-assistance titles, providing for aid to the aged, the blind, the disabled, and dependent children.

The amount of Federal grants, however—and they are matching funds—was limited to $160,000.

This limit has placed a great burden on the Virgin Islands, a relatively poor Territory in which much needs to be done to raise the standard of living of the inhabitants. All this amendment provides, in this portion of it, is to raise the ceiling for Federal matching funds for Virgin Islands public assistance by $140,000.

The present level of individual grants for public assistance in the Virgin Islands is very low, indeed. The average grant per month per adult is $18.50 and $10 for each child. Just think of it—about $4 a week for each adult and $2 a week for each child.

I think, Mr. President, that we owe these fellow citizens of ours a little more generosity. I do not know whether the proposed amendment would permit an increase in the allotment for each individual but it certainly will permit the government of the Virgin Islands to take care of more people than they now are able to care for.

That is one provision in the pending amendment. One other provision—and the only other provision—would permit matching funds to be used to assist the needy parent or other relative caring for needy children on the island. This is now permitted in all the States and Territories of the United States.

The arguments for including the Virgin Islands under this provision are obvious. It will help keep families together. It will help place children with their relatives if they have no parents. It would be a humanitarian thing. It seems to me to be an essential thing.

Mr. President, I ask unanimous consent that a memorandum prepared by the Commissioner of Social Welfare for the Virgin Islands, Mr. Ray Bornn, be inserted in the Record at this point in my remarks.

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

The bill (S. 2660) to amend the Social Security Act to increase the maximum permissible Federal financial participation in the plan for aid to dependent children of the Virgin Islands and to permit payments under such plan to relatives with whom dependent children are living, introduced by Mr. Lehman, was received, read twice by its title, and referred to the Committee on Finance.

The memorandum presented by Mr. Lehman is as follows:

Representations of the Virgin Islands Regarding Needed Revisions in Provisions of the Federal Public-Assistance Program Affecting the Virgin Islands

When, in 1935, Congress passed the Federal Social Security Act, the Virgin Islands were overlooked and no provision was made to extend the benefits of this important social legislation to the people of this Territory. As Congress finally became alive to our crying needs in this respect, it passed amendments to the act extending to the Virgin Islands various portions thereof. Title V, providing for child health and welfare services, became effective in the Virgin Islands January 1, 1947; titles I, IV, X, and XIV, providing for aid to the aged, the blind, the disabled, and dependent children (commonly known as the public-assistance titles), became effective in the Virgin Islands October 1, 1950; and title II, old-age and survivors insurance, became effective in the Virgin Islands January 1, 1951.

Title V, child health and welfare services, and title II, old-age and survivors insurance, were extended to the islands on the same conditions as for continental United States. But, in extending the public-assistance titles, several special unfavorable provisions were included with regard to the Virgin Islands which have kept assistance standards at deplorable levels and have worked untold hardship upon the needy of our islands.

Unfavorable provisions in the Federal act

Briefly, these unfavorable provisions may be described as follows:

1. The Federal Government participates in assistance payments in all four Federal categories up to certain specified maximums for monthly assistance to each individual. For the States, the District of Columbia, Hawaii, and Alaska, these monthly maximums are $55 for aged, blind, or disabled individuals; and, in the case of aid to dependent children, $30 for the first child, $21 for each additional child, and $30 for a needy parent or other relative caring for the children.

For the Virgin Islands, the special maximums set are $30 for aged, blind, and disabled individuals; and, in the case of aid to dependent children, $18 for the first child, $12 for each additional child, and nothing for the needy parent or other relative caring for the children.

2. Federal participation for the States, the District of Columbia, Hawaii, and Alaska, for the aged, blind, and disabled, consists of 80 percent of the first $25 of the average monthly payment per person plus 50 percent of the balance of the expenditures within the specified maximum monthly payments per individual; and for aid to dependent children, 80 percent of the first $15 of the average monthly payment per person plus 50 percent of the balance of the expenditures within the specified maximums.

For the Virgin Islands, Federal participation has been set at 50 percent of all assistance expenditures within the special maximums set for the islands.

3. For the States, the District of Columbia, Hawaii, and Alaska, no ceiling is set as to the total Federal participation in their programs, either by months or years or otherwise. All assistance properly given to needy individuals within the individual maximums set forth above is matchable by the Federal Government.

For the Virgin Islands, section 1108 of the Federal act limits the total Federal participation in the Virgin Islands program to $160,000 with respect to any 1 fiscal year, no matter how much Federal matching in excess thereof the Virgin Islands may have properly earned. Despite the reduced maximums imposed on individual monthly assistance payments in the Virgin Islands, and despite the low rate for Federal participation prescribed, as above, this further ceiling was imposed.

The present program in the Virgin Islands

Despite the unfavorable provisions imposed as above, the Virgin Islands, during the past 4½ years, have developed a sound, well-rounded program of public assistance. The assistance caseload in all categories has been kept to a minimum. Only unemployables (the aged and the otherwise disabled) receive aid. Recipient rates in the Virgin Islands (the ratio of OAA and OASI recipients to population) are lower than the national averages (for adults, only 71 percent of the average in the United States, and for children, 83 percent of the mainland rates). The caseload in the Virgin Islands reduced from 1,734 persons in June 1952 to 1,464 persons in June 1954, a period during which Federal funds were available in our program (the highest monthly total since June 1954 was 1,595). General assistance clients (aided entirely from local funds) receive assistance on the identical standards as the cases aided with Federal matching.

For lack of local funds and Federal matching, the standards of assistance have been distressingly low. Beginning in 1950 at less than half the barest minimum needs, gradually increased local appropriations and the decrease in caseloads together made possible

a gradual improvement in standards. As a result of a new appropriation increase just enacted, new standards are now going into effect. But even these new standards are inadequate and will sound futile in mainland ears. The maximum allowance for food for an adult is $12 per month (40 cents a day or about 13 cents a meal); for clothing it is $3.50 per month; the maximum rental allowance is $6 per month for 2 persons. Any contributions from relatives or other income received by the client are deducted from the allowances mentioned. Our average grants on the new standards are $18.50 per month for an adult and $10 per month for a child.

RECOMMENDATIONS

But, even at these low standards the special restrictions imposed upon our program will result in loss of Federal matching to the Virgin Islands and impose upon our slim treasuries an increased burden that they cannot afford to carry. As a result of the low individual maximums and the overall ceiling, we shall be losing appropriately $25,000 in Federal matching in the first year's operations at the new rates. It is probable that we shall not be able to continue even these low standards unless the Congress acts promptly to remove at least two of the provisions which create the most serious difficulty.

We urge most respectfully and most earnestly:

(1) First, and of most importance, that Congress remove the overall ceiling of $160,000 for Federal matching to the Virgin Islands for any one fiscal year (imposed by sec. 1108 of the act), or raise this ceiling to $300,000.

To accomplish this, we suggest deletion from section 1108 of the words "and the total amount certified by the Administrator under such titles for payment to the Virgin Islands with respect to any fiscal year shall not exceed $160,000." Or, if it is desired instead to raise the ceiling, we suggest changing "$160,000" in the above clause to read "$300,000."

(2) Next, that, in the program for aid to dependent children, Congress include matching for assistance to the needy parent or other relative caring for children in the Virgin Islands, as it does for parents or relatives caring for children in the States and other Territories.

To accomplish this, we suggest that, in section 403 of the Social Security Act, add at the end of the clause (a) (2) therein, the words "and, in the case of the Virgin Islands, not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $18."

JUSTIFICATIONS

Removal of the ceiling of $160,000 or increase thereof to $300,000

Such a ceiling has never been imposed upon any State or Territory other than Puerto Rico and the Virgin Islands. It is the universal desire of Virgin Islanders that these islands shall remain permanently a part of the United States of America and that our people shall forever not only enjoy the privileges but also shoulder the burdens of United States citizenship.

We do not now make objection to the fact (although we do not consider them fully justified) that lower maximums are placed upon monthly assistance grants in the Virgin Islands than in the States. We recognize that there are some savings here in living costs, such as winter heating and clothing. But the ceiling upon the total annual expenditures for the program produces an arbitrary limitation that has no justification and no relationship to the varying but very real need for assistance which may exist in these islands from year to year.

This arbitrary limitation is imposing a real hardship upon the Virgin Islands right now. We are at this moment face to face with the fact that, with the improvement in standards, without changing our low recipient rates, without any appreciable increase in caseload, with administrative costs still running below the average for the Nation, with grants averaging only $18.50 per month for an adult (compared to the $30 maximum), and only $10 per month for a child (compared to the $18 and $12 maximums), we shall be earning next fiscal year approximately $20,000 in Federal matching above the present $160,000 ceiling—$20,000 we shall earn that our islands will lose if this ceiling is not removed at this session of Congress.

When this ceiling was first imposed, Congress had no experience as to how the Virgin Islands would run an assistance program. Its desire then to create some overall limitation, some safeguard, could be understood. Now, after 4½ years of operation, the record of public assistance in the Virgin Islands is sound and makes it clear that there need be no fear of the program running out of bounds. The United States Department of Health, Education, and Welfare, which supervises our program very carefully, can, and I believe will, attest to that record. Surely Congress can be, and should be, persuaded now to remove this unscientific and unfair limitation upon aid to the needy of our islands.

If Congress insists upon maintaining some limitation, undoubtedly it will recognize the wisdom and justice of raising this ceiling substantially. In this event, I propose a ceiling of $300,000. Such a ceiling is fully justified, I believe, by the figures shown on the attachment in which a fair ceiling is worked out on the basis of comparable figures for the assistance program of the whole Nation. Taking the average assistance payments in the United States per inhabitant, and multiplying these by the total Virgin Islands population according to the United States census of 1950, we find that the comparable assistance payments in Federal categories in the Virgin Islands in a year would be approximately $400,000. Even at the low matching rate of 50 percent provided for the Virgin Islands, the Federal matching earned thereon would be $200,000. Actual administrative costs forecast for the Virgin Islands for next fiscal year, and these compare favorably with mainland figures, would earn another $46,000 or more of Federal matching. Thus, at present average mainland payments, any area of our population size would be earning approximately $250,000 of Federal matching. Since this is based only on current averages in a time of normal caseloads and of relatively stable prices, and we are dealing with an overall ceiling which would apply as well in times of adversity with increased caseloads and in times of inflation with relatively high prices, it is surely necessary to up the ceiling to at least $300,000, as proposed.

Inclusion of matching for the parent or relative caring for ADC children

The omission in the current act, in the aid-to-dependent-children program, of Federal matching for assistance to a needy parent or other relative caring for ADC children in the Virgin Islands imposes an unwarranted hardship. It is recognized that Federal matching for assistance to meet the needs of such parents or other caretakers in the United States is seriously needed and is fully justified. The same is completely true for such matching for assistance to parents and other caretakers in the Virgin Islands. The lack of this provision is causing new excesses over the Federal maximums in the large majority of ADC cases with one child, and in many of the cases with a small number of children. The resulting loss in Federal matching will be approximately $5,000 despite arbitrary maximums we have been forced to impose on our ADC grants.

Our ADC program is a sound one. Our ADC recipient rate dropped from 57 per thousand in June 1952 to 35 per thousand in June 1954. We have strong support laws for illegitimate as well as legitimate children. We use the courts vigorously to enforce support where it is available. Our proportion of absent parents, 46 percent, is less than the national average, 59 percent. Our cases in which need arises from death of a parent, 39 percent, is more than twice the national average, 17 percent. This furnishes additional evidence of the care with which our policies are established. This should be one other cause for assurance on the part of Congress that justice done in this program to the people of the Virgin Islands will not result in pauperization of the people but in help to aged, blind, disabled, and children in serious need of aid.

I do hope that your committee will urge upon Congress that it is just and fair to accord the Virgin Islands and their people the same treatment in the laws governing public assistance as is accorded other citizens of the United States, and that it is necessary, in the spirit of justice, to remove the special clauses which tend to set them aside as second-class citizens. Willingly, without hesitation, and with patriotic fervor, our youth have undertaken the highest responsibility of citizenship, have fought and died for our country, like American youth all over the Nation. Likewise, our aged and our children are entitled to the fruits of that citizenship—and in their hour of need deserve the same consideration as the aged and children on the mainland.

Respectfully submitted.

ROY W. BORNN,
Commissioner of Social Welfare for the Virgin Islands.

PROPOSALS FOR DETERMINATION OF A FAIR CEILING ON THE ANNUAL TOTAL OF FEDERAL PARTICIPATION IN THE VIRGIN ISLANDS PUBLIC ASSISTANCE PROGRAM

A ceiling on Federal participation in the assistance program of the Virgin Islands cannot be soundly based on existing expenditures in the islands, since the standards of assistance are now seriously inadequate (for instance, 13 cents allowance per meal for food), since prices are relatively stable now but may not always nor long be so, and since caseloads are at a low figure which might be seriously increased in a time of adversity. Accordingly, it is believed to be more sound, and it is proposed, that the determination of the ceiling for Federal participation in the Virgin Islands program be based on the average amount presently being expended per inhabitant for assistance in the Nation as a whole, with some cushion provided for possible fluctuations in cost of living and caseloads.

Based on public assistance payments throughout the United States and its territories, and based on the entire population thereof, the United States Department of Health, Education and Welfare, has issued data showing that the average amount expended per inhabitant for assistance payments for the calendar year ended December 31, 1953, was $9.90 for old-age assistance, $3.46 for aid to dependent children, 41 cents for aid to the blind, and 97 cents for aid to the disabled. The highest rate in OAA was in Colorado, $35.30 per inhabitant, and the lowest was Virginia $1.58 per inhabitant.

Based on the foregoing, Federal matching earned in the public assistance program in the Virgin Islands in a given year, in the four Federal categories, might well total $300,000 (even at the low 50 percent Federal

matching now applicable in the Virgin Islands program), as follows:

Assistance:	
In old-age assistance, 27,000 Virgin Islands population at $9.90	$267,300
In aid to dependent children, 27,000 Virgin Islands population at $3.46	93,420
In aid to the blind, 27,000 Virgin Islands population at $0.41	11,070
In aid to the disabled, 27,000 Virgin Islands population at $0.97	26,190
Total assistance	397,980
Administration:	
Based on actual administrative costs anticipated in appropriations passed for fiscal year 1955–56 (proportion chargeable to Federal categories)	92,508
Grand total	490,488
Federal matching:	
At 50 percent of both assistance and administration	245,244
25 percent increase to provide for fluctuations in caseload and cost of living	61,311
Total probable matching earned	306,555
Suggested ceiling	300,000

In the foregoing, there has not been taken into account a factor which should result at this time in a higher average of assistance payments per inhabitant in the Virgin Islands than in comparable areas in continental United States. This is the fact that the OASI program is so new in the Virgin Islands that it does not cover in the islands any appreciable portion of the aged and of orphaned children, as it does in the United States. Our OASI recipient rate in the Virgin Islands for persons 65 years and over, in June 1954, was 67 per thousand, as compared with 362 per thousand in the United States. For children, the Virgin Islands rate was 4.3 per thousand as compared with 19.9 in the United States. This tends to make our assistance recipient rate higher than in continental United States, which in turn operates to make our assistance payments per inhabitant high compared to those in the United States. Virgin Islands assistance standards may be considerably lower than in a given State, yet our average assistance payment per inhabitant may be higher than in that State.

Respectfully submitted.

ROY W. BORNN,
Commissioner of Social Welfare for the Virgin Islands.

REVISION OF THE STATUS OF FORCES TREATY

Mr. WELKER. Mr. President, I have consistently objected vigorously—I have not regretted doing so—to the Armed Forces treaty now in effect; and I have repeatedly stated that if the junior Senator from Idaho will vote to send American boys overseas, then in good faith he cannot vote to deny to them the right of trial by jury, the presumption of innocence, the right to have counsel, the right of consultation with someone who speaks their own language, and the constitutional guaranties against cruel and unusual punishment.

Mr. President, the Status of Forces Treaty will, in my opinion, forever be a black mark on the history of our Nation, until that treaty is abrogated. I shall continue to fight for the protection of our young men who carry the burden of our defense. If they follow the Constitution and the flag of the United States, then most certainly the Constitution and flag must follow them wherever they may be. If there ever comes a time when I fail to stand up and be counted in their defense, then it will be time for the State of Idaho to have a new junior Senator.

Mr. President, following these remarks, I introduce and send to the desk a Senate joint resolution, for which I request appropriate reference.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 96) providing for the revision of the Status of Forces Agreement and certain other treaties and international agreements, or the withdrawal of the United States from such treaties and agreements, so that foreign countries will not have criminal jurisdiction over American Armed Forces personnel stationed within their boundaries, introduced by Mr. WELKER, was received, read twice by its title, and referred to the Committee on Foreign Relations.

INCREASED RATES OF COMPENSATION OF MEMBERS OF CERTAIN INDEPENDENT BOARDS AND COMMISSIONS—AMENDMENT

Mr. LANGER submitted an amendment, intended to be proposed by him, to the bill (S. 2639) to increase the rates of compensation of members of certain independent boards and commissions, which was referred to the Committee on Post Office and Civil Service, and ordered to be printed.

PUBLICATION OF HISTORICAL DOCUMENTS

Mr. BENNETT submitted the following concurrent resolution (S. Con. Res. 54), which was referred to the Committee on Rules and Administration:

Whereas the National Historical Publications Commission is charged by the Congress with responsibility for cooperating with and encouraging "Federal, State, and local agencies and nongovernmental institutions, societies, and individuals" in collecting, preserving, and publishing documents that are important for understanding the history of the United States; and

Whereas the said Commission in the discharge of these responsibilities has recommended a national program to encourage the publication of the basic source materials of American history through the cooperative efforts of both public and private organizations; and

Whereas the President of the United States has approved the national program for the publication of historical documents, as set forth in the Commission's published report to him; and

Whereas it is important that the people of the United States understand the history of their country and of its relationship to the rest of the world; and

Whereas the publication of such source material as letters, diaries, journals, sermons, speeches, reports, and other documents—the firsthand evidence of the initiative, courage, and spiritual qualities of the men and women who have helped to shape our country's destiny—would contribute to a better understanding of the history of the United States in all of its manifold aspects, and would thereby strengthen the defense of our country against its enemies: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that the fulfillment of the program recommended by the National Historical Publications Commission in its report entitled "A National Program for the Publication of Historical Documents" would be of lasting benefit to the Government and citizens of the United States; and be it further

Resolved, That the Congress of the United States respectfully urges the governors and legislatures of the several States and the State historical commissions and archival agencies, as well as appropriate libraries, historical societies, colleges and universities, business corporations, foundations, civic and other nonprofit organizations, and individuals to cooperate with the National Historical Publications Commission in the fulfillment of the said program.

ESTABLISHMENT OF UNIFORM FEES AND CHARGES FOR WORK, ETC., BY GOVERNMENT AGENCIES

Mr. MAGNUSON. Mr. President, on behalf of myself, as chairman of the Senate Committee on Interstate and Foreign Commerce, and the Senator from Ohio [Mr. BRICKER], the ranking Republican of that committee, I submit, for appropriate reference, a resolution relative to the establishment of uniform fees and charges by Government agencies for work or other things of value performed by them.

The resolution would authorize the Committee on Government Operations to direct a full and complete study and investigation of the feasibility and practicability of establishing uniform fees and charges for any work, service, franchise, license, permit, or similar thing of value furnished or granted by any Federal Agency.

When the Congress enacted the Independent Offices Appropriation Act of 1952, a rider was attached—title 5, United States Code, section 140—indicating that it was the sense of the Congress that any work, service, license, permit, certificate, or similar thing of value issued to or for any person by any Federal agency should be self-sustaining to the fullest extent possible, and authorized the head of each Federal agency to prescribe fees and charges accordingly.

Pursuant to this provision, the Bureau of the Budget, acting on behalf of the President, made a study of this matter and issued a circular dated November 5, 1953, Circular A–25, directing the various agencies to establish a schedule of fees "which, taking account of the value to the recipient and the public policy of interest served, shall recover to the fullest extent possible the aggregate costs incurred in the conduct of these activities."

A number of the agencies acting pursuant to this directive issued schedules of fees and charges which would reimburse the agencies for the costs incurred by the agencies both directly and indirectly in rendering the services or in issuing the licenses.

Recently, the American Bar Association through its section of administrative law appeared before the Subcommittee on Appropriations and urged that title 5 of the Independent Offices Appropriation Act of 1952, as it applied to fees and charges, be repealed, and in the meantime, that a resolution be adopted which would suspend any agencies action that was planned or undertaken under title 5 until Congress had an opportunity to examine the entire problem of fees and charges. The bar association's testimony is set out in detail in the appropriations hearings.

The committee in considering this problem in a recent session concluded that a uniform system of uniform fees and charges for all agencies as described in title 5 of the Appropriations Act of 1952 would appear to be an appropriate subject for study and consideration by a proper committee of the Senate. In this instance it is obvious that the Committee on Government Operations which, under the Legislative Reorganization Act of 1946—Public Law 601, 79th Congress, August 2, 1946—has the responsibility of "studying the operation of Government activities at all levels with the view of determining its economy and efficiency" is the proper committee to make the study because all Government departments and agencies come within its jurisdiction for such purposes.

I want to emphasize at this point that the committee is not hostile to the idea of assessing fees and charges but the committee members are of the opinion that such fees and charges, if feasible and practicable, should be based on uniform standards and should be fair and equitable.

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

The resolution (S. Res. 140) was referred to the Committee on Government Operations, as follows:

Whereas the Congress in enacting the Independent Offices Appropriation Act, 1952, declared, in title V of such act, that it was the sense of the Congress that any work, service, publication, report, document, benefit, privilege, authority, use, franchise, license, permit, certificate, registration, or similar thing of value or utility performed, furnished, provided, granted, prepared, or issued to or for any person by any Federal agency should be self-sustaining to the full extent possible, and authorized the head of each Federal agency to prescribe, by regulation, fees and charges therefor (which in the case of agencies in the executive branch are to be as uniform as practicable and subject to such policies as the President may prescribe); and

Whereas pursuant to such title, the Bureau of the Budget acting on behalf of the President made a study of this matter and issued a circular with respect thereto setting out uniform standards to be applied by the agencies in the executive branch in implementing such title; and

Whereas the agencies of the Government are preparing regulations to establish fees and charges as authorized by such title; and

Whereas the establishment of such fees and charges by agencies of the Government may adversely affect the administration and fundamental concept of the basic laws with respect to which such fees and charges are imposed; and

Whereas the American Bar Association has recommended the repeal of title V of the Independent Offices Appropriation Act of 1952, and a review of the necessity and desirability of the establishment of fees and charges by Federal agencies as authorized by such title: Now, therefore, be it

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is hereby authorized and directed to conduct a full and complete study and investigation of the feasibility and practicability of establishing uniform fees and charges for those works, services, and other actions of agencies of the Government described in title V of the Independent Offices Appropriation Act, 1952. The committee shall report the results of such study and investigation, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date, but not later than January 31, 1957.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $30,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 3. The head of each agency of the Government is hereby requested—

(1) not to issue any regulations imposing fees and charges under the authority of title V of the Independent Offices Appropriation Act, 1952; and

(2) to suspend the application of any regulations imposing fees and charges which he may heretofore have issued under the authority of such title

until such time as the Committee on Government Operations makes its report to the Senate pursuant to this resolution.

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. BARKLEY:

Addresses delivered by Senators CLEMENTS and DOUGLAS upon the occasion of the conferring of the Berea College centennial award upon Senator CLEMENTS.

By Mr. MANSFIELD:

Address delivered by Senator JACKSON before the annual fellowship dinner of the Grand Lodge of Masons of the State of Washington, at Olympia, Wash., on Tuesday, June 21, 1955.

By Mr. POTTER:

Address by Under Secretary of Labor Arthur Larson, delivered at Eighth Annual Conference on Aging, University of Michigan, Michigan Union, Ann Arbor, Mich., on June 28, 1955.

THE GENEVA CONFERENCE AND PRESIDENT EISENHOWER'S EFFORTS FOR PEACE

Mr. THYE. Mr. President, on Monday, July 25, there appeared on the editorial page of the St. Paul Pioneer Press an editorial under the headline "Progress for Peace." In this morning's Washington Post and Times Herald there appeared an editorial entitled "New Climate of Peace."

Both editorials, though they were written by different editorial writers, one in Minnesota and the other in Washington, refer to the progress the United States has made, and the excellent achievement of President Eisenhower at the Conference at Geneva. The subject matter of the editorials is peace.

There also appeared in Newsweek of August 1 an article entitled "Filling the Vacuum," written by Ernest K. Lindley.

All the writings to which I have referred give us good, sound information on the question of peace, and I ask unanimous consent that they be printed in the body of the RECORD as a part of my remarks.

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

[From the St. Paul Pioneer Press of July 25, 1955]

PROGRESS FOR PEACE

The Conference at Geneva has marked the beginning of a new and better phase of postwar history. It is to be a period of less tension and less danger of war, and one in which the chances of getting the outstanding problems of the world settled without use of force will be better than at any time since the Second Great War ended.

But these hopeful signs apply to Europe, and only indirectly to Asia. It is probable that the effects of the accord which has been struck up at Geneva will be felt in the Far East as well, for no other reason than that the new tactics of Red Russia must affect those of its ally, Red China. The Chinese Communists will be less inclined to risk involvement in major war if they know that their Russian friends are out for peaceful coexistence and therefore unlikely to come to their support. When aggression goes out of fashion in Europe it becomes less attractive in China.

President Eisenhower has won an immense diplomatic victory; not in the usual cynical sense, but one that will enhance very greatly the prestige of America and of himself as a world leader.

By his open and sincere appeal to the hearts and minds of all mankind, he has made it impossible for the Communists, even if they wished, to return to their attempts to create in the eyes of the world an image of America as a threat to the peace of the world. He has thereby brought closer to reality the ideals of peace and security for the world.

In the professional game of diplomacy the score is figured in terms of power gained or power lost. President Eisenhower's achievement is not to be scored that way. The gain is universal. There are no losers when the prize is on the side of peace.

It would be folly to assume that the Soviet Government has changed its fundamental purposes and objectives. But the new leaders of communism do not appear to have the fanatic drive for world revolution that their predecessors had. They appear less ready to run the risks of precipitating war. The strength of the Western alliance has certainly been chiefly responsible for this conversion. This strength has come about because of the economic, military, and political programs which have put Western Europe back on its feet. This success represents a triumph for America's postwar leadership.

If now it can be reasonably thought, as the Geneva Conference indicates, that the statesmen of the world have come to see that modern war has become too destructive to be contemplated, then, in fact, a new era is to be had for the taking.

[From the Washington Post and Times Herald of July 27, 1955]

NEW CLIMATE OF PEACE

President Eisenhower's reports to the people and to the leaders of Congress on the Geneva Conference were essential parts of his effort to produce a new climate in which

peace can flourish. It is everywhere agreed that the chief significance of the Big Four gathering last week was the increased tolerance and understanding that it produced. The question now is whether this change in attitude will be reflected in the broad relations between the American and Russian peoples.

If the conciliation and good will that were generated at Geneva are to be lasting, they will be reflected in the diplomatic notes exchanged between the two Governments. They will be reflected also in official speeches, in future negotiations, and in national policies. But undertakings of this sort cannot be kept wholly within the realm of governmental operations. Their outcome will depend in considerable measure upon the attitudes of people, and that is particularly true in the United States where freedom of expression prevails. In the last analysis, an international climate can change only to the extent that the people wish to change it.

The President recognized also that many factors enter into the pursuit of peace. It is not an isolated condition that can be attained by statesmen regardless of how people think and live. Among the important ingredients in any crusade for peace, as the President noted, are freedom and security for all nations, prosperity and a rising standard of living, and "an opportunity for all of us to live in peace and in security." If the people are genuinely interested in ending the cold war, they should also be interested in promoting these aids to peace in other nations as well as in our own.

The hope that the President holds out is not of a sudden emergence from cold war to utopia. Rather, it is for a gradual transition from hostility and fear to a sort of cold peace—a willingness on the part of two diametrically opposite systems to live side by side without war and with a semblance of balance between their security forces. The President seems hopeful that such a status can be attained, and his optimism appears to be shared in some measure by a vast majority of his countrymen. In any event, there is general agreement that the objective is worth struggling for. What the people ought to realize is that success for the venture will require tremendous effort, patience and restraint on their part no less than on the part of the Government.

[From Newsweek of August 1, 1955]

FILLING THE VACUUM

(By Ernest K. Lindley)

It is reasonably evident that both Moscow and Peking want a period of relative international quiet while they build their strength. No one can be sure what such a period may lead to—whether to a gradual adjustment of difficulties between the Communist and free worlds or to a devasting explosion. But it is surely essential that the free nations continue to build their own strength.

It should go without saying that our own military strength should be maintained and that we should do everything possible to make sure that we do not fall behind in the race for new weapons. There should be no overall reductions or slowdowns except under international agreements applying to the Reds.

Local defensive forces should be built up as rapidly as possible in those areas in which they are manifestly inadequate. For example, the free nations of southeast Asia need forces unquestionably capable of coping defensively with the Viet Minh. The possibility of more "brush fires" cannot be ruled out until the Viet Minh is firmly contained—unless we are willing to give clear warning that any military thrust in that area will mean war with us. Then, there is the much larger problem of offsetting the military power of Red China, which doubtless will continue to grow. We are the main curb on a new Communist Chinese aggression.

The underdeveloped countries of Asia cannot support their fair shares of the total defense burden without outside help. We must continue to provide them not only with weapons but with financial support for their defense programs.

If we are to have a period of "peaceful" competition, the free world must show its superiority by outdoing the Communist nations in economic development. It is not enough for us and a few Western European nations to produce more and maintain higher standards of living than the Russians. It is not enough for, let us say, Japan and the Philippines to keep ahead of Red China by the same tests. All the free nations must at least keep pace with their respective Communist neighbors in economic development.

If the underdeveloped free nations are to outdo, or hold their own with, the Communist nations in economic development during the next few years, they must have technical aid and capital from the outside in substantial amounts. Much of both must come from the United States. Part must be in the form of gifts and very easy loans. More of a foundation must be laid in many of these countries before they will become sound risks for hard loans or attractive for direct private investment on a substantial scale.

A year ago some congressional leaders were talking as if the foreign-aid money which they were then appropriating would be the last. But this year, most Members appear to realize that foreign aid should be continued, perhaps for some years to come. The House Foreign Affairs Committee approved the administration's request for this year without debating the basic need. The House shortsightedly went along with a large cut made by its Appropriations Committee but the Senate Appropriations Committee restored all but about $60 million of the $3,266,000,000 asked by the President.

Even before the cuts, the administration's program provides less economic aid than free Asia needs to develop as it should—and must if it is to keep ahead of Communist competition. Our allies deserve priority but we should not neglect the other independent Asian nations. Since a backlog of military requirements is being whittled down, the overall bill for foreign aid may safely be allowed to shrink a little more during the next few years. But if free Asia is to be made secure, foreign aid must continue to be an important item in our Federal budget.

An end to the struggle between communism and freedom is not in sight. If we are to have a period of relaxed international tension, we must see to it that we make better use of it than the Communists do. We should take full advantage of the opportunity to fill the vacuums, military and economic, in the free world.

TRIBUTE TO AMERICA'S AND THE UNITED NATIONS' KOREAN WAR DEAD

Mr. WILEY. Mr. President, 2 years ago today, on July 27, 1953, occurred a memorable event in American and world history—one which should not be forgotten. On that day, the long and cruel fighting in Korea ended with the agreement on cessation of hostilities. Thus the first collective resistance to an armed aggression resistance organized under the banner of an international agency, was concluded, and an inspiring turning point in man's age-old quest for just and lasting peace was reached.

We are all familiar with the serious losses of men and, less important, but very sizable, the loss of materiel, in this bloody conflict. We are familiar with the indomitable sacrifices of the Republic of Korea, which stood up manfully to this aggression, with a courage which won the admiration of freemen everywhere.

Today, 2 years after the guns became silent, we pay tribute to the ROK war dead and war injured, including the heavy civilian casualties.

As Americans, we pay tribute in particular to our own valiant boys who bore the heaviest brunt, aside from ROK troops, in this long struggle. And we pay tribute to the other forces of the United Nations, which contributed vitally to the throwing back of the forces of aggression.

It is an unhappy fact that Korea remains divided. It is a further unhappy fact that the truce agreement has been violated to a degree which has shocked even a world which has realistically come to anticipate Communist abuses and violations. The massive buildup of Chinese Red and North Korean forces, their point-by-point ignoring of all their other obligations under the truce, have once more confirmed to the world the callous Communist view of written agreements.

But we pause now, nonetheless, in tribute to the U. N. war dead and war-disabled of the Korean conflict.

I have in my hand the text of the resolution of August 31, 1953, adopted by the U. N. General Assembly in special tribute to the U. N.'s armed forces. In memory of the unexcelled courage and bravery of all those who fought under the banner of international law and order, and in a reminder of eternal vigilance against possible more brush fire or big wars, I ask unanimous consent that the text of the U. N. resolution be printed in the body of the RECORD at this point.

Following it, as examples of the bravery to which I refer, I ask unanimous consent that the texts of the citations of 3 American boys who fought—and 2 of whom died—in the Korean war and who won our highest military honor, be printed likewise in the RECORD at this point.

These happen to be Wisconsin boys, but they are symbolic, I believe, of Americans from all the other States of the Union who fought so bravely on this far-distant battlefield.

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

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 431ST PLENARY MEETING ON AUGUST 28, 1953

TRIBUTE TO THE ARMED FORCES WHO HAVE FOUGHT IN KOREA TO RESIST AGGRESSION AND UPHOLD THE CAUSE OF FREEDOM AND PEACE

The General Assembly

Recalling the resolutions of the Security Council of June 25, June 27, and July 7, 1950, and the resolutions of the General Assembly of October 7, 1950, December 1, 1950, February 1, 1951, May 18, 1951, and December 3, 1952,

Having received the report of the Unified Command dated August 7, 1953,

Noting with profound satisfaction that fighting has now ceased in Korea on the basis of an honorable armistice,

1. Salutes the heroic soldiers of the Republic of Korea and of all those countries which sent armed forces to its assistance;

2. Pays tribute to all those who died in resisting aggression and thus in upholding the cause of freedom and peace;

3. Expresses its satisfaction that the first efforts pursuant to the call of the United Nations to repel armed aggression by collective military measures have been successful, and expresses its firm conviction that this proof of the effectiveness of collective security under the United Nations Charter will contribute to the maintenance of international peace and security.

CITATIONS OF THREE OF WISCONSIN'S MEDAL OF HONOR WINNERS IN KOREAN CONFLICT [1]

MEDAL OF HONOR (POSTHUMOUS)

"M. Sgt. Melvin O. Handrich, Company C, 5th Infantry Regiment, distinguished himself by conspicuous gallantry and intrepidity above and beyond the call of duty in action on August 25 and 26, 1950, near Sobuk San Mountain, Korea. His company was engaged in repulsing an estimated 150 enemy who were threatening to overrun its position. Near midnight on August 25, a hostile group over 100 strong attempted to infiltrate the company perimeter. Sergeant Handrich, despite the heavy enemy fire, voluntarily left the comparative safety of the defensive area and moved to a forward position where he could direct mortar and artillery fire upon the advancing enemy. He remained at this post for 8 hours directing fire against the enemy who often approached to within 50 feet of his position. Again, on the morning of August 26, another strong hostile force made an attempt to overrun the company's position. With complete disregard for his own safety, Sergeant Handrich rose to his feet and from this exposed position fired his rifle and directed mortar and artillery fire on the attackers. At the peak of this action he observed elements of his company preparing to withdraw. He perilously made his way across fire swept terrain to the defense area where, by example and forceful leadership, he reorganized the men to continue the fight. During the action Sergeant Handrich was severely wounded. Refusing to take cover or be evacuated, he returned to his forward position and continued to direct the company's fire. Later a determined enemy attack overran Sergeant Handrich's position and he was mortally wounded. When the position was retaken over 70 enemy dead were counted in the area he had so intrepidly defended. Sergeant Handrich's sustained personal bravery, consummate courage, and gallant self-sacrifice reflect untold glory upon himself and the heroic traditions of the military service."

Published in Department of the Army General Order No. 60, August 2, 1951.

Date of award: June 21, 1951.

Place of birth: Manawa, Wis.

Entered military service from Manawa, Wis.

Killed in action: August 26, 1950.

Next of kin: Mr. Walter W. Handrich, father, route No. 1, Manawa, Wis.

MEDAL OF HONOR (POSTHUMOUS)

"Second Lieut. Jerome A. Sudut, 02263203, infantry, United States Army, Company B, 27th Infantry Regiment, 25th Infantry Division, distinguished himself by conspicuous gallantry above and beyond the call of duty in action against the enemy near Kumhwa, Korea, on September 12, 1951. His platoon, attacking heavily fortified and strategically located hostile emplacements, had been stopped by intense fire from a large bunker containing several firing posts. Armed with submachinegun, pistol, and grenades, Lieutenant Sudut charged the emplacement alone through vicious hostile fire, killing three of the occupants and dispersing the remainder. Painfully wounded, he returned to reorganize his platoon, refused evacuation and led his men in a renewed attack. The enemy had returned to the bunker by means of connecting trenches from other emplacements and the platoon was again halted by devastating fire. Accompanied by an automatic rifleman, Lieutenant Sudut again charged into close-range fire to eliminate the position. When the rifleman was wounded, Lieutenant Sudut seized his weapon and continued alone, killing 3 of the 4 remaining occupants. Though mortally wounded and his ammunition exhausted, he jumped into the emplacement and killed the remaining enemy soldier with his trench knife. His singlehanded assaults so inspired his comrades that they continued the attack and drove the enemy from the hill, securing the objective. Lieutenant Sudut's consummate fighting spirit, outstanding leadership, and gallant self-sacrifice are in keeping with the finest traditions of the infantry and the United States Army."

Published in Department of the Army General Order No. 31, March 21, 1952.

Date of award: February 6, 1952.

Place of birth: Wausau, Wis.

Entered military service from: Wisconsin.

Killed in action: September 12, 1951.

Next of kin: Mr. Joseph Sudut, father, route No. 3, Wausau, Wis.

MEDAL OF HONOR

"Sgt. Einar H. Ingman (then corporal), 16301508, a member of Company E. 17th Infantry Regiment, 7th Infantry Division, distinguished himself by conspicuous gallantry and intrepidity above and beyond the call of duty in action against the enemy near Maltari, Korea, on February 26, 1951. The two leading squads of the assault platoon of his company, while attacking a strongly fortified ridge held by the enemy, were pinned down by withering fire and both squad leaders and several men were wounded. Sergeant Ingman assumed command, reorganized, and combined the two squads, then moved from one position to another, designating fields of fire and giving advice and encouragement to the men. Locating an enemy machinegun position that was raking his men with devastating fire he charged it alone, threw a grenade into the position, and killed the remaining crew with rifle fire. Another enemy machinegun opened fire approximately 15 yards away and inflicted additional casualties to the group and stopped the attack. When Sergeant Ingman charged the second position he was hit by grenade fragments and a hail of fire which seriously wounded him about the face and neck and knocked him to the ground. With incredible courage and stamina, he arose instantly and, using only his rifle, killed the entire gun crew before falling unconscious from his wounds. As a result of the singular action by Sergeant Ingman the defense of the enemy was broken, his squad secured its objective, and more than 100 hostile troops abandoned their weapons and fled in disorganized retreat. Sergeant Ingman's indomitable courage, extraordinary heroism and superb leadership reflect the highest credit on himself and are in keeping with the esteemed traditions of the infantry and the United States Army."

Published in Department of the Army General Order No. 68, August 2, 1951.

Date of award: July 5, 1951.

Place of birth: Milwaukee, Wis.

Entered military service from Wisconsin.

Next of kin: Mr. Einar Ingman, father, Star Route No. 2, Tomahawk, Wis.

[1] NOTE.—The citation of Wisconsin's fourth Medal of Honor winner, Cpl. Mitchell Red Cloud, Jr., also a posthumous decoration, was printed in CONGRESSIONAL RECORD of March 22, 1955.

SHORTAGE OF AMERICAN SCIENTISTS AND ENGINEERS

Mr. WILEY. Mr. President, on many occasions, I have commented on the critical shortage of scientists and engineers for American research. This shortage is not only impeding the growth of our civilian economy, but in my judgment, is preventing the optimum functioning of our military defense effort.

During the past weekend, Dr. Alan T. Waterman, Director of the National Science Foundation, released a report prepared for the Foundation by the Bureau of Labor Statistics of the United States Department of Labor. The report, based on interviews with officials of approximately 200 large companies, confirmed the serious effects of this shortage.

In order to meet this problem, it will be necessary to have comprehensive cooperation and planning by educational, business, labor, governmental and other sources. One need only look at the "Help Wanted" pages of the Nation's daily and Sunday newspapers to note the stiff competition among companies all over America for scientists and engineers.

The fact, moreover, that the Soviet Union is apparently outracing us in graduating new engineers and technicians, should serve as further warning to us.

What we need, however, is not a wringing of hands and an outpouring of moans, but active steps—now—to cope with this shortage.

I send to the desk the text of the report as released by Dr. Waterman, and ask unanimous consent that it be printed in the body of the RECORD at this point.

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

SHORTAGES OF SCIENTISTS AND ENGINEERS IN INDUSTRIAL RESEARCH

Shortages of scientists and engineers impede the research and development programs of many companies whose activities represent a large and critically important segment of the Nation's scientific-research effort. In interviews with officials of approximately 200 large companies, conducted by the United States Department of Labor's Bureau of Labor Statistics for the National Science Foundation during the last 3 months of 1954, at least half of these companies reported that they were unable to hire enough research scientists and engineers [1] to meet their needs, and 1 out of every 3 said they had major or substantial shortages of such personnel. The remaining companies interviewed did not report numerical shortages of research personnel, but many emphasized their need for better-qualified scientists and engineers. The 200 companies interviewed together employ well over half of all scientists and engineers in industrial research and development.

The need for additional personnel in the research and development activities of the reporting companies covered a wide range of fields—chemical, electrical, mechanical, and aeronautical engineering, chemistry,

[1] Research and development scientists and engineers include those engaged in basic and applied research in the sciences (including medicine) and engineering, and in design and development of prototypes and processes. They do not include those enaged in activities such as quality control, routine product testing, market research, sales promotion, sales service, geological or geophysical exploration, or research in the social sciences or psychology.

physics, metallurgy, mathematics, and a number of others. The demand for additional scientists and engineers also extended to all levels of training and to new graduates, as well as to experienced men, although most company officials said they had a greater need for personnel with experience or advanced degrees than for new graduates with only the bachelor's degree.

Industries where the proportion of companies reporting shortages of research scientists and engineers was largest were aircraft, electrical equipment, petroleum, paper, food, and primary metals. Every aircraft company in the survey indicated a shortage of research and development personnel. In all other industries some companies—in several cases the majority of those interviewed—said their research programs were not impeded by a numerical shortage of scientists or engineers. However, the survey findings clearly indicate that, on a nationwide basis, the supply of qualified personnel is insufficient to meet the demand for research and development scientists and engineers in many fields.

THE SURVEY

The survey on which these findings are based is part of a broad study of research and development resources in all types of research organizations, undertaken by the National Science Foundation to provide the information needed in developing and recommending to the President policies to strengthen the country's research effort. In addition to the survey of private industry's research resources, the National Science Foundation is conducting or sponsoring coordinated studies of the research activities of colleges and universities, Federal and State government agencies, trade associations, commercial laboratories, and nonprofit research institutes and foundations.

The survey of industrial research has two phases—an extensive survey of a sample of about 11,600 companies carefully chosen to be representative of all nonagricultural industries in the Nation, and intensive interviews with officials of approximately 200 of the largest of these companies. The findings of the questionnaire survey, to be released in a later report, will provide detailed information on the volume of research expenditures, research manpower, and related topics, for each major industry. In the interviews with officials of 200 major companies (many of which are parent companies of corporate families), information was obtained on such subjects as the factors influencing companies' research expenditures, the extent of personnel shortages, and other obstacles to the effective conduct and expansion of industrial research.

This bulletin summarizes the information with regard to shortages of research and development scientists and engineers obtained through the interviews with large companies. To introduce the discussion of manpower problems company officials were asked the following questions: (1) "To what extent is your research program now affected by shortages of scientists and engineers?" (2) "In what specialties are there significant shortages and at what educational and experience levels?" (3) "Have you encountered a special shortage of personnel qualified to become project leaders. If so, how have you attempted to meet this problem?" Direct replies to these questions were sought. In addition, the questions were used as a springboard for obtaining as full a discussion as possible of company needs for scientists and engineers in research and development programs.

The 200 companies supplying information represent, in general, the largest firms in industries with significant research and development programs.[2] Together, these companies employ a substantial majority of all scientists and engineers engaged in industrial research. It should be borne in mind, however, that the findings apply only to big companies. No evidence is yet available from the survey with regard to the personnel situation in the many small firms conducting research and development activities.

It should be emphasized also that information supplied by company officials applied to research and development personnel only. It does not cover the personnel situation in other types of scientific and engineering work—such as production, sales, or exploration activities—which together employ a much larger number of scientists and engineers than those engaged in research and development.

Another important point about the information presented is that it is in terms of relative numbers of companies, rather than numbers of personnel affected. Some companies in the survey are, of course, much larger than others, but each has the same weight in the findings.

EXTENT OF SHORTAGES

The shortages of scientific and engineering personnel reported by many companies represented, in most cases, a demand for additional staff for current research programs; in others, a need for additional personnel to permit a planned expansion in research activities. Approximately one-third of the companies interviewed reported major or substantial numerical shortages of research scientists and engineers. About one-sixth of the companies reported shortages of a less extensive character. The remaining half of the firms said they did not have numerical shortages of personnel, but many companies in this group emphasized their need for scientists and engineers with more advanced training or better professional qualifications. Officials of several of these firms said they would expand their research and development activities if well qualified or better trained persons could be found.

Lack of sufficient scientific and engineering personnel was reported, in many instances, to have hindered companies in carrying out going research programs. A sizable though smaller number of firms said they had been forced to curtail projected increases in their research and development activities. An example of an extreme situation is provided by an electrical equipment company—a large one, though not among the largest—which reported that its professional research and development staff would have been increased by 50 percent during 1954 if qualified personnel had been available. The company's top management had approved a still larger increase of the research and development staff during 1955 and 1956, but the official in charge of the research program expressed grave doubts that sufficient personnel would be available to permit this increase.

The need for "quality" in hiring research personnel was repeatedly emphasized. Officials of many companies reiterated that requirements for research scientists and engineers cannot be met because well-qualified, well-trained people are difficult to find. Several said that, owing to the scientific complexity of their company's research activities and the high costs involved therein, only the most capable new graduates—in general, those in the top 10 or 25 percent of present graduating classes—are considered as potential research employees. The research director of a major petroleum company, for example, pointed out that it was better policy to let positions go unfilled than to drop hiring standards below the high level necessary to obtain effective research workers. The need for personnel of high caliber was emphasized equally in connection with the hiring of experienced scientists and engineers.

Several companies indicated that their recruiting problems were intensified by a high rate of turnover among their research scientists and engineers. A few firms said they had, not infrequently, lost such personnel to other companies after spending considerable time training them.

INDUSTRY DIFFERENCES WITH RESPECT TO PERSONNEL SHORTAGES

The proportion of companies reporting shortages of research and development scientists and engineers was largest, as previously noted, in the aircraft, electrical equipment, petroleum, paper, food, and primary metals industries.

The majority of the aircraft manufacturers interviewed said they had acute shortages of research and development personnel, and all reported some shortage. The situation described by practically all company officials in this industry is summed up by the comment of one vice president of engineering: "Our organization has been literally limited in its development work by the unavailability of qualified personnel."

In the electrical equipment industry, three-fifths of the surveyed companies reported shortages of scientists and engineers. All the firms with shortages said that these were impeding their research and development programs. Several manufacturers of electronic equipment stressed that their shortage of research engineers and scientists was extremely acute; one of these companies had been able to fill only half the budgeted positions for its current research program.

Companies with insufficient numbers of research engineers and scientists in the petroleum, paper, and food industries likewise represented about three-fifths of those interviewed. An official of a leading petroleum company stated that lack of technical personnel, particularly scientists with advanced degrees or 5 to 10 years of industrial experience, was a very serious problem in his company's research and development organization. Similarly, the director of research of a major food company stated that the firm's research programs were markedly affected by personnel shortages; the company was having great difficulty in securing adequate numbers of trained people for work in fundamental and applied research on problems relating to food. However, in each of these industries some of the firms reporting a lack of scientists and engineers said this had not interfered significantly with their research programs.

In the primary metals industries also, a majority of the companies said they did not have sufficient numbers of research scientists and engineers. One corporation indicated that its lack of research personnel was of major dimensions. In other primary metals companies, the personnel shortages were described as less extensive. An official of one of these companies said: "In general, we have encountered no major obstacles in the expansion of our research and development program due to manpower shortages.

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[2] The numbers of companies interviewed in different industries were as follows: 33 in chemicals and allied products; 21 in machinery; 20 in electrical equipment; 14 in petroleum; 13 in professional and scientific instruments; 11 in food and kindred products; 9 in aircraft; 9 in fabricated metal products; 9 in primary metals; 8 in motor vehicles and equipment; 8 in paper and allied products; 7 in mining; 7 in rubber products; and smaller numbers in coal products, leather, lumber, printing and publishing, railroad equipment, shipbuilding, stone, clay and glass products, textile mill products, tobacco, miscellaneous manufacturing, motion pictures, radio broadcasting and television, telecommunications, transportation, and utilities.

We are, however, having considerable difficulty in obtaining qualified research men, particularly those with advanced degrees in certain desired fields."

Of the professional and scientific instruments companies interviewed, approximately one-half reported shortages of research personnel. In all instances, the shortage either hindered the firm in its research activities or prevented a desired expansion in program. Several other instrument manufacturers, which had been able to obtain sufficient numbers of scientists and engineers, emphasized their need for better-qualified personnel or for personnel with training in specific fields.

Approximately half the companies in the chemicals and allied products industries reported shortages of scientists and engineers, but only one-fifth of them said that such shortages were significantly impeding or retarding their research and development programs. Officials of most of the largest chemical manufacturers indicated that their current research activities were not affected by a lack of scientists and engineers. They stressed, however, the intense recruitment programs they were forced to undertake and the strong competition for the best-qualified personnel.

Industries in which less than half of the companies in the study reported numerical shortages of research personnel included machinery, rubber, fabricated metals, and motor vehicles. In the machinery industry, 9 out of 21 companies indicated a need for additional research engineers and scientists, saying in most cases that the scarcity of personnel was impeding their research activities. At one leading machinery company, where lack of qualified personnel had made it impossible to expand the research program at the planned and budgeted rate, the official interviewed emphasized the inadequate supply of personnel with the technical training and professional qualifications needed by his research organization. He stated that out of 250 candidates for employment recently interviewed, the company was able to hire only 3 or 4 with the required technical and professional qualifications. In contrast, the president of another major firm in the same industry stated that, since the company is a very well-known, well-established organization and has a fine recruiting system, they do not have manpower shortages; he said they pay well and are able to develop the talent they have at a normal and healthy rate.

In the rubber industry, several companies reported that they were unable to obtain well-qualified research and development personnel. One leading manufacturer, who was rapidly expanding his research activities, stated that he had been unable to staff his organization at the rate desired.

Only a few of the firms in the fabricated metal products industry reported that they had encountered difficulty in obtaining qualified scientists and engineers to fill vacant budgeted positions in their research programs. The official in charge of research at one major concern indicated that, although the company has found sufficient numbers of scientists and engineers available for employment, many applicants fail to meet its hiring standards.

Of the 8 companies interviewed in the motor vehicle and equipment industry, only one reported difficulties in recruiting needed engineering personnel. Most of the other companies expressed the belief that their good reputations and well-organized personnel programs were responsible for their success in obtaining sufficient numbers of scientists and engineers for research and development activities.

In other industries, the numbers of firms interviewed were too small, either in absolute terms or relative to the total number of companies in the industry, to warrant separate analysis. The personnel situations reported by these companies were extremely diverse—ranging from a major shortage to an adequate supply of research scientists and engineers.

Altogether, the interviews with company officials indicated a considerable disparity in the personnel situation even within individual industries (with one notable exception—the aircraft industry). Within the limits of the present survey, it was not possible to develop detailed information on the reasons for these differences. Factors which contribute to variations in the personnel situation among companies include differences in the kinds of personnel needed (both with respect to scientific specialty and with respect to level of training or other qualifications), varying rates of personnel turnover, whether or not the company's research program has been expanding rapidly, and differential salary levels. Of importance also are differences in the effectiveness of recruitment programs and in the opportunities for advancement and degree of long-term economic security offered by employment in the given company (as appraised by the individual scientist).

TYPES OF PERSONNEL NEEDED

In interpreting the following information with regard to the engineering and scientific fields in which companies reported a need for additional personnel, the kinds of activity in which these companies were engaged should be borne in mind. The findings do not indicate the types of personnel needed in fields of employment outside the scope of the study, such as independent medical or other research laboratories, colleges and universities, and Government agencies. Furthermore, the information here presented applies only to personnel for research and development programs; it does not indicate employment needs in other types of scientific and technical work, such as exploration for or extraction of petroleum and minerals, construction, or activities related to production or sales.

Engineering fields in which sizable numbers of companies reported personnel shortages include chemical, electrical (especially electronic), mechanical, and aeronautical engineering. Chemical engineers were needed not only by companies in the chemical and petroleum industries, the largest industrial employers of engineers in this specialty, but also by a number of companies in the food industry and by some in most other industries represented in the survey. A particular need for chemical engineers with 1 to 5 years of industrial experience was indicated in many cases, but there was extensive demand also for new graduates in this field. Shortages of electrical engineers were reported mainly by companies in the aircraft, electrical equipment, machinery, and professional and scientific instruments industries. In this branch of engineering, the most acute need was usually stated to be for new graduates or for men with more than 5 years' experience. In the case of mechanical engineers, personnel needs were concentrated at these same experience levels and in the same list of industries, with the exception of professional and scientific instruments. Other, narrower specialties in which some companies had an acute need for engineers with advanced degrees or considerable exprience included hydraulics, stress analysis, systems analysis, ceramics, and engineering physics.

The scientific fields in which personnel shortages were reported by many companies include chemistry, physics, metallurgy, and mathematics. In addition, some companies said they needed additional pharmacists and pharmacologists, pathologists, microscopists, and geophysicists.

The demand for chemists came mainly from companies in the chemical, petroleum, and food industries, as would be expected, and, to a lesser extent, from those in the paper industry. Physical and organic chemists with the doctor of philosophy degree were in great demand. Also widely needed were physical and organic chemists at all degree levels with 2 to 10 years of experience. A number of companies, chiefly in the food industries, reported a shortage of biochemists, particularly those with experience or advanced degrees.

Shortages of physicists, especially those with the doctor of philosophy degree or equivalent experience, were reported by many companies in the electrical equipment, aircraft, and professional and scientific instrument industries. Some firms in the chemical, machinery, and paper industries were also seeking physicists for their research programs.

Metallurgists at all degree levels were needed by many companies in the primary metals and electrical equipment industries. A few firms in the aircraft and fabricated metal products industries also reported a shortage of this type of scientist.

A need for mathematicians at all degree levels was reported by numerous companies in the aircraft industry.

SHORTAGES OF PROJECT LEADERS

A scarcity of personnel qualified for positions as project or group leaders for research and development activities was reported by slightly more than one-third of the companies. This was a smaller proportion than indicated shortages of scientists and engineers for research and development activities in general—no doubt owing to the general practice of filling project leaders positions by promotions from within. One out of every five companies said they had a marked shortage of well-qualified personnel for such positions; in other companies, the lack of supervisory personnel did not constitute a major problem.

Companies indicating difficulty in obtaining qualified personnel for positions of leadership were concentrated, to a considerable extent, in the industries where shortages of research personnel were most generally reported. Thus, aircraft manufacturers were virtually unanimous in reporting an insufficient supply of qualified supervisory personnel for their research and development programs, and many of them said the scarcity of such personnel was a critical problem in their organizations. A considerable number of companies in the electrical equipment, professional and scientific instruments, machinery, and paper industries also indicated that they had not been able to find sufficient, qualified scientists and engineers to serve as project leaders. A smaller proportion of the firms in the chemical and food industries and a few in other industries reported similar difficulties in obtaining competent research supervisors.

Many companies had instituted in-company training programs to prevent or alleviate a shortage of group leaders. In some cases, formal training programs had been undertaken; in others various types of informal techniques were utilized. A number of firms reported that they were using psychological testing and evaluation techniques as helpful tools in their programs.

The director of research and development of a well-known company in the field of transportation equipment summed up his firm's approach as follows: "We have attempted to meet this shortage by training those with good ability who are already on the job and giving them added responsibilities which would enable them to take on leadership jobs." The more formal program of a major aircraft manufacturer was briefly outlined by the company's engineering vice president. He said that in their developmental engineering activities they have endeavored "to evaluate the individual

at the lower supervisory level to see if such a person is capable of taking over at the management level. Persons who are thought qualified are brought into a wide training program for management and personnel relations in order to enable them to take on supervisory posts at a higher level."

Several companies had set up training programs in conjunction with nearby universities, either utilizing the facilities and staffs of these schools or bringing instructors into the plant itself. Other concerns were providing on-the-job training by assigning their research personnel to work with experienced men having expert knowledge of their fields. Provision was frequently made also for rotating selected personnel among the different areas of the organization in order to acquaint them with the company's various projects and problems.

In some cases companies using training techniques were also recruiting intensively for experienced personnel. A few companies had such urgent, immediate needs for project leaders that they were forced to use all available means of recruiting engineers and scientists already qualified for such positions. The research director of one firm stated frankly that "in such a case we try to secure men from other companies." One company mentioned that they ask their employees to "sell" the company to friends who might be qualified as project or group leaders.

Firms without specific training programs have attempted to meet their need for supervisory personnel in other ways. Several companies have gone so far as to divert some of their experienced scientists and engineers from other areas to research and development. In other companies, where the leadership in key research jobs is considered inadequate, supervision by higher level staff or by committees has been superimposed and an effort has been made to supply as strong supporting personnel as possible. In order to secure better supervision a few companies have tried to reduce their project leaders' workload—in some cases by relieving them of all nonsupervisory work, in others by eliminating their nontechnical responsibilities.

Lastly, several firms with a shortage of personnel for project-leader positions said they had been unable to relieve the situation. They had been forced to slow down their research activities or, in some cases, to bring projects to a complete standstill.

FUNDS FOR FOREIGN AID—PROPOSED PLASTICS PLANT IN KOREA

Mr. SYMINGTON. Mr. President, I favor foreign aid for both military and economic purposes, provided these purposes are found to be essential in the struggle against communism, and provided the funds, when made available, are used for such purposes. I so voted last week.

In general, I believe funds spent for military purposes abroad can result in less burden for the United States taxpayer at home—because the stronger our friends become, the less this country must bear of the military burden of the free world. I believe it is sound to give economic assistance to our friends, on the principle that increasing standards of living are vital in repelling the infiltration of the Communist disease.

Being in favor of financial assistance to our friends and allies, however, does not serve as justification for unsound and uneconomical expenditures of our funds abroad.

In this respect there has been brought to my attention an instance which would appear to be an illustration of wasteful and uneconomical expenditure abroad.

In March, the Monsanto Chemical Co., of St. Louis, sent me a copy of a letter which that company had sent to the FOA.

From this correspondence it appears that Monsanto had been asked, on three separate occasions, by the FOA to bid on a project to construct a plastics plant in Formosa. Monsanto turned down the bid invitation, on the ground it was not economically sound, not only because of the absence of basic raw materials and a trained labor supply in Formosa, but also because of the fact that Japan currently has idle capacity of this nature, ready and willing to export plastic products to Formosa and other countries.

It looked as if we planned to use the taxpayer's money to build an unnecessary facility in Formosa, thereby hurting the United States taxpayer directly, and also hampering the economic recovery of Japan.

As a consequence, on March 24, 1955, I wrote Mr. Stassen, Director of FOA, and asked him for the facts regarding Monsanto's conclusions about this project. On April 4, I received from Mr. Stassen a note, transmitting a copy of an FOA staff report regarding the proposed plant in Formosa. Since neither the note nor the staff report answered the question raised regarding the adverse effect of such a plan upon the Japanese economy, I again wrote Mr. Stassen on April 6, asking for his views as to the economic soundness of such proposal, both for Formosa and for Japan.

On April 20, Mr. Stassen replied that FOA was reviewing the subject, and would communicate with me as soon as such review had been completed. Since that date, last April, I have heard no more about this matter.

Several days ago—and this is now July—I received from Monsanto an oral report that FOA had decided to build the plastics plant in Formosa.

With no information from FOA on this matter, and in view of the position taken by an outstanding American company, I trust that this administration will use no money to build such a plant in Formosa.

Mr. President, if there is adequate capacity in Japan for the production of articles of this particular kind, then, inasmuch as the Japanese economy depends to a degree upon the Formosan economy, and vice versa, I think it incredible that the FOA would proceed with the building of a plastics plant, with United States taxpayers' money, in Formosa. This is particularly true since such a project would adversely affect the economic well-being of Japan—a matter of considerable importance to us at this time.

I also trust that the Senate will watch this matter, and will take into consideration what has been done the next time a request for foreign aid comes before the Senate.

DEBATE BETWEEN THE SECRETARY OF THE INTERIOR AND SENATOR NEUBERGER ON DEVELOPMENT OF PACIFIC NORTHWEST WATER RESOURCES

Mr. NEUBERGER. Mr. President, in the Northwest magazine of the Sunday Oregonian for July 24, 1955, a debate was published on the partnership hydroelectric power issue between the Honorable Douglas McKay, Secretary of the Interior, and myself. The debate largely involved the differences of opinion between Secretary McKay and me over how the vast power resources of the Pacific Northwest should be developed.

It seems to me that the Oregonian has rendered a public service to its many readers by providing equal opportunity for both sides of this vital issue to be presented, so that the public can decide between the two points of view.

I ask unanimous consent that the opposing presentations by Secretary McKay and myself, along with an accompanying editorial from the Oregonian editorial page of July 24, be printed in the body of the RECORD.

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

POWER DEBATE

We call attention to the clear presentation of facts and opinions on development of the Columbia River system in the Oregonian's Northwest Roto magazine of this edition. The participants in the debate are Secretary of the Interior McKay and Senator NEUBERGER. The question: "Why Partnership Power?"

Readers of this page are aware that the editors are not advocates exclusively of either partnership or all-Federal development of the multiple-purpose projects. We think some of both are needed. We doubt that either side in the political struggle will win a clear-cut victory. And if either did, we doubt that enough power would be provided soon enough to prevent a serious shortage in the 1960's.

The debate should have a third leg. The best way to resolve the deadlock, which stems from congressional reluctance to provide enough Federal funds, is to get public power dams out of the Federal budget. This can be done by a system of Government capital financing, or by establishing a regional Federal corporation to take care of its own financing. But we recommend reading of the McKay-Neuberger statements for clearer understanding of the bind the Northwest is in.

DEBATING THE PARTNERSHIP PROBLEM

Water tumbling over a spillway and the tower of a high-tension transmission line—these are two potent symbols of an issue which has been incandescent in the Northwest for at least two decades. The issue, of course, is power, and this week the magazine presents a debate on its most recent phase, the partnership program announced by President Eisenhower and his Secretary of the Interior, Douglas McKay, who as ex-Governor of Oregon needs no introduction.

Ranged on opposite sides in the debate, which begins on page 4, are Secretary McKay and Oregon's junior Senator, RICHARD L. NEUBERGER. Although this is Senator NEUBERGER's first appearance in the magazine since he began representing his home State on Capitol Hill, he has been a frequent contributor through the years. Now his byline has a more official ring to it.

WHY PARTNERSHIP POWER?—A DEBATE BY THE TWO OREGONIANS MOST CLOSELY IDENTIFIED WITH OPPOSING SIDES IN EISENHOWER'S PROGRAM FOR POWER

PRO

(By Douglas McKay, United States Secretary of Interior)

I favor the greatest development for the West. That is why I favor the partnership plan for developing the hydroelectric possibilities of the Pacific Northwest. I feel that it offers, under present circumstances, the soundest and most expeditious means of providing power for an area which otherwise will be seriously short in the next 5 to 10 years.

In the Columbia River system the Pacific Northwest has perhaps its greatest natural asset. One needs to travel over these United States and look at the water-short areas to see what this mighty river means. The region's industrial growth is inevitably tied to it.

My record, both personal and official, will show that I have devoted my best efforts to encouraging development of this vast resource.

Because the public interest in many of these projects has been so large and the capital involved so considerable, it has appeared the Federal Government is the proper agency to undertake them. In others it has appeared that municipal power plants, public utility districts, and private utilities might each have an appropriate and important part.

It has been my opinion that to obtain the maximum benefits, the Pacific Northwest should utilize the best enterprise, brains, and resources of all these interests.

The Northwest has been extremely fortunate in the Federal investment that has been made in its power development. Depression, World War II, and the Korean war—each in its own way—have stimulated appropriations for projects believed to be in the national interest under those emergency situations.

But now, the national debt load has increased to fantastic levels and Congress has properly resisted its further growth. With some 70 cents out of every dollar in the national budget now earmarked for national defense—past, present, and future—large appropriations from Congress for any purpose are hard to obtain.

Furthermore, there has been a growing resistance on the part of Members of Congress from other sections of the country—Members from both parties—to additional huge appropriations for the development of the Pacific Northwest.

It has been pointed out that 30 percent of the public works dollars have been spent in this area, an area with 4 percent of the population. It also has been observed that projects in the Northwest have been financed with eastern and southern tax money to lure industries away from those areas.

So it may be seen that the region may not expect Federal appropriations for power development to continue on the same scale, as in the recent past. This is a circumstance likely to obtain whatever party is in power.

Therefore, the problem is how to get projects underway which will be needed in the next several years. It takes some 5 years to build a large dam. Meanwhile, the Northwest might wait many years for appropriations for these projects. Remember, Hells Canyon twice has been turned down by Congress—and a Democratic Congress, too.

Senator WARREN MAGNUSON, of Washington, has been clamoring for the Ice Harbor Dam on the Snake, yet he could never get his Democratic-controlled Congress to help him.

The Northwest faces a reality. The money will not be so easy to get. New power projects mean more jobs. So, the more power the more jobs. The more interested people—State, Federal, city, and public utilities district leaders—get back of all types of projects, the better for the Northwest.

The partnership concept was designed to make possible this development now, when it is needed, by utilizing the enterprise and resources of our own people—all of the agencies which develop power—the PUD's, the REA's, the commercial utilities, any and all of them.

Partnership is not hostile to all the Federal appropriations that can be obtained, but development of the area should not await the improbable or uncertain.

The history of the West is basically a story of partnerships of varying sorts between the Federal Government and local interests; the sale, grant, or licensing of natural resources to local governmental or private agencies to be developed in the public interest.

We see this exemplified in the sale of timber today from national forests to private loggers. This is partnership in a very real sense, with the Government growing trees and the private loggers and lumbermen processing them for public use. The sale of federally generated power to an industry or utility is also a partnership in its own way.

Take the giant Priest Rapids Dam on the Columbia River in Washington. Here a public utility district, owned and controlled by local people, will build a project to generate more than 1 million kilowatts. It recently applied for its license from the Federal Power Commission and will sell to preference customers first, then to private utilities.

It is a partnership all the way. And yet, it was supported in Congress by the same people who cry out against partnership. The people at home wanted that project. And Congress listened to those people.

The partnership plan has been evolving and may be varied to meet exact situations. In its broad aspects, the partnership plan contemplates that:

1. All projects would be built in accord with the over-all plan developed for the great river by the Army engineers, and would be operated as a part of the integrated system of flood control and power generation.

2. The Federal Government would pay the nonreimbursable costs (those assigned to flood control, navigation, fishways, irrigation, etc.). The partners would pay the costs assigned to power, and would be entitled to the power for a fixed period, but not over 50 years.

3. The Government would retain the right to condemn the entire project and preempt the power supply in case of a dominant national need. At the end of the payout period, the project would be the property of the Federal Government.

In simplest terms, Federal power and partnership power (as now conceived) would work out much as follows:

Federal power: The Government plans, finances, builds, and operates a project. It pays the nonreimbursable costs out of the Federal Treasury. The cost assigned to power is paid by the sale of power to public and private utilities or to industry. At the end of 50 years the project is federally owned, free and clear.

Partnership power: The Government plans, builds, and operates a project. It pays the nonreimbursable costs out of the Federal Treasury. The costs assigned to power are paid from the presale of power output to partners, private and public utilities or industry. At the end of 50 years the Government may, if it wishes, take over the project, free and clear.

The end result is much the same.

In the proposed partnership for the John Day Dam the Federal Government would put up 10 percent of the cost for navigation benefits and fishways. The partners would put up 90 percent. The partners would be commercial companies and public utility districts, if the latter wish to join. They would be paid back in power over 50 years.

Now, there have appeared opponents of this program who insist on federally generated power or nothing. They have argued that the partnership plan is similar to partners building a store with one partner owning the escalators and the other the sales counters where the money is taken in.

The analogy is a complete distortion. The important thing to remember is that the part of the project financed by Government is in the public interest. It would be written off as nonreimbursable even if the dam were constructed alone by the Government.

It was so written off at Bonneville, Grand Coulee and McNary. Many millions have been written off in the same way for harbor and river development over the years in every part of the Nation.

Ever since the first dams were built on rivers of the Nation the taxpayer has been footing the bill for flood control, navigation, recreation, etc. Anyone who suggests otherwise is simply kidding himself and the public.

Fundamental difference between those who approve what the administration is trying to do and those who oppose us is the issue of "Federal power or no power at all." In that there is a wide gulf between the thinking of those who want a sound program of power development and those who want merely a political issue.

That division crosses party lines.

Stevenson quoted on partners

In May 1952, Adlai Stevenson, in a speech at the Jefferson-Jackson Day dinner, in Portland, said:

"As for power development, where private enterprise can and is willing to do the job, I think it should be left free to do so. But where private initiative is incapable of, or for any reason fails to meet the legitimate needs of the people, whether for electric power or anything else, then I believe the Government will and should step in."

Stevenson repeated these sentiments in a speech at Pendleton in October, after his nomination.

In August 1953 I announced the power policy of this administration: "To actively encourage the development of the natural resources of the country. This will involve a partnership of the States and local communities, private citizens, and the Federal Government, all working together.

"It is not a policy of monopoly by any one of these parties. In fact, the job to be done is so tremendous that it will require the very active efforts of all of the parties if the Nation is to be kept abreast of its needs."

For water resource development, the Federal Government would finance large multiple-purpose projects not within the capacity of participating partners.

There are now four partnership projects ready to proceed—if they are not blocked by those who are putting their ideas of Federal power empire above the development of the region. These are the Cougar, Green Peter, John Day, and Priest Rapids dams. The latter has been authorized and is now in preliminary stages. Installed capacity of the four dams will be 2,192,500 kilowatts.

We need those kilowatts. They should not be turned into a political football. The true friends of the Northwest will support any reasonable plan which will result in expediting their construction. We need the kilowatts, the jobs, the power, and the industry which they represent. I hope our eyes will not be blinded by any political mirage.

CON

(By RICHARD L. NEUBERGER, United States Senator from Oregon)

Last year Secretary of the Interior Douglas McKay told Oregon's people that more Federal power projects like Bonneville are unlikely because of the huge national debt. There just isn't the money available, he added. Thus, said McKay, it becomes necessary to form a "partnership" with so-called local interests, meaning mainly private utility corporations.

Yet this same Secretary McKay now is urging Congress to authorize $1,815,000,000 worth of Federal power projects in the upper Colorado area.

What lurks behind the fact that Mr. McKay seems to think there is no money for new Federal "starts" in the Columbia River basin but plenty for the upper Colorado?

The explanation is simple.

The power sites on the upper Colorado are low in flow, far from transportation routes and probably can't pay out. No private-power executive sound of mind would think of developing them. But the sites in our own Northwest are the finest on the continent—ample water, lots of drop in height, innumerable low-cost kilowatts. These sites are craved by many utility corporations. So, in the Northwest, the Republican administration promotes "partnership."

"Partnership" takes two separate forms: (1) The complete surrender of a magnificent site to a power company which will develop only a part of its potential, as at Hells Canyon; or (2) a "partnership" between the Government and private companies for erection of a dam, as at John Day.

Let's examine the John Day "partnership."

In 1954 the administration supported the Cordon-Coon bill which would have given Portland General Electric Co. the power output of John Day Dam for 50 years in return for a payment of $164 million by the company toward building the dam. Senator MORSE and I opposed that bill.

Now the new Coon bill for John Day would let PGE and other companies acquire John Day's power by paying $273 million. Isn't this a confession that the administration was willing to bargain away the dam's production in 1954 for $109 million too low a price?

What do the utilities receive in return for $273 million? They get a monopoly on John Day kilowatts for half a century. The Army engineers estimate the annual power benefits at John Day to be worth $25,538,000. This means that the utility syndicate harvests approximately $1,276,900,000 worth of wholesale power, to sell at a profit to its customers.

No preference clause safeguards the rights of farmers' rural electric co-ops in this Columbia River energy, although Oregon's illustrious Senator Charles L. McNary sponsored such a safeguard as early as 1935.

Both the State grange and Oregon REA's have condemned this "partnership" in unqualified terms, despite the fact that Mr. McKay once tried to infer that the grange was favorably in the scheme.

Backers of the Coon bill stress that the government retains title to the dam. So what? The utilities get the power—and the revenue. I don't care who owns General Motors, if I can get all the automobiles and all the receipts.

"Partnership" is for the benefit of the power companies but not for the general public. The Christian Science Monitor of May 12 disclosed, in a front-page article, that some of the basic policies of Secretary McKay's interior department have been adopted "following consultation with private-utility representatives."

Needless to add, if the McKay policies had been in effect in 1935, there would be no Bonneville or Grand Coulee or McNary dams today.

Furthermore, "partnership" power would be high-cost power. On the day that "partnership" first was proposed last year, the Oregonian admitted that the resulting energy probably would be somewhat higher than the present Bonneville rate. Power alone is not enough to assure prosperity for the Northwest. It must be cheap power. The operating head of one of the continent's biggest manufacturing operations said to me:

"The Northwest is over 2,000 miles from major markets. Your power rate must be low enough to absorb the freight tolls to ship goods eastward. You have a shortage of power in the Northwest today only because there has been such a great demand for Bonneville energy. This demand stems from the fact that Bonneville's rate has been the lowest in the land. For the Northwest to stay competitive in the realm of manufacturing, that superiority in rates has to be maintained."

Private utilities pay more interest for their money than does the Federal Government. In addition, partnership power would not be pooled as to costs with the extremely cheap energy now obtained from Bonneville and Grand Coulee Dams.

On top of all this, piecemeal use of the rivers of the region would replace orderly comprehensive development. These three factors by themselves will make partnership power infinitely more expensive than the present Bonneville rate.

Mr. McKay and others complain that Senator MORSE and I are blocking partnership. If it were not for our opposition, they contend partnership could be adopted.

Let's set the record straight.

Partnership is nebulous and vague. In its present form it is untried, although our history books are crammed with examples of what has happened to the taxpayers when special interests infiltrate government operations as so-called partners.

Partnership has never generated a single kilowatt in our Northwest. The Federal program at Bonneville, on the other hand, has brought unparalleled benefits. It helped increase farm electrification from 27 percent to 98 percent. I have heard my wife's rural dairying family talk about what this has meant in terms of a better standard of living.

The Bonneville program made possible the Northwest's greatest boom in industrial payrolls. As auxiliary gains, it increased navigation on the Columbia River by nearly 20 times and it created thousands of new irrigated homesteads for ex-GI's in the vicinity of Grand Coulee.

Why has McKay announced there are no further Federal funds for expanding this program?

Today, for example, John Day, Cougar, and Green Peter Dams are authorized by Congress as Federal projects. Legislation must be enacted deauthorizing them before partnership even can be tried. Why does not McKay join Senator MORSE and me in seeking Federal funds for John Day, Cougar, and Green Peter Dams rather than trying to convince Congress that Federal projects ought to be abandoned to private power companies?

If only McKay will stop obstructing the Federal program so he can promote partnership, we'll have projects in the works instead of monkey wrenches. Again, I ask why McKay's Interior Department tries to encourage the spending of so much Federal money for the upper Colorado but virtually none for new products in our own Columbia River Basin?

We are told that one virtue of the partnership at John Day is that PGE and its partners get the powerhouse for only 50 years. But at Green Peter the Pacific Power & Light Co. gets the powerhouse indefinitely. And in the Cougar partnership, the Eugene Water Board will pay substantially more to generate Cougar kilowatts than it now pays for kilowatts delivered by Bonneville. Of what possible advantage is such a scheme, other than to block or fatally delay an existing and successful Government program which has been of immense advantage to the Northwest?

If I felt that partnership were for the best interests of Oregon, where both my wife, Maurine, and I were born and raised, I would back partnership unhesitatingly.

But partnership, in my opinion, would substitute high-cost power and reckless use of our priceless rivers in place of Bonneville's low-cost kilowatts and comprehensive development.

Only the private power companies will gain through partnership. The rest of our region will suffer. For example, the Interior Department under Secretary McKay has suggested the construction of dams across the Salmon and Clearwater Rivers as alternatives to Hells Canyon. In fact, the Clearwater Dams have been proposed as partnership projects by the utilities.

Salmon valued for spawning

Yet the Clearwater and the Salmon are two of the principal spawning streams in the Northwest. Between 30 and 50 percent of the precious spring Chinook Run migrates into the Salmon River. Dr. Ira N. Gabrielson, exhead of the United States Fish and Wildlife Service, has said the Salmon must be protected as a spawning area if our Columbia Basin fisheries are to survive.

Did Secretary McKay indicate any awareness of this acute problem when his Department blithely suggested the blockading of both the Salmon and the Clearwater at the time his power scheme was proposed in May of 1953?

Furthermore, how many people remember the speeches delivered by Secretary McKay last year heralding the marvelous Libby project in Montana? This was to be the answer to the giving away of Hells Canyon and John Day. Libby was to furnish sufficient energy to answer all the critics of "partnership." Republican campaigners began to stress Libby in all their speeches. It became a kind of rallying cry—"Libby! Libby! Libby!"

The cry is heard no more. A few weeks ago the ex-Governor of Idaho, Len Jordan, a political crony of Mr. McKay, announced sadly that Libby Dam was out the window because the stubborn Canadians demand too great a portion of the benefits in return for the flooding of their land by the Libby Reservoir.

Mr. Jordan is an Eisenhower appointee who heads the Commission which must negotiate with Canada for the Libby project. Yet the international obstacle to Libby was cited by Senator WAYNE MORSE and by the writer of this article when Secretary McKay first commenced touting Libby as an answer to opponents of the "partnership" program.

Libby now seems to be as dead as the dodo bird, and the damming of the Salmon and the Clearwater would wreck our commercial and sports fisheries—but Secretary McKay continues to plug for "partnership."

I take my stand with the late Senator Charles L. McNary. He never suggested relinquishing the great site at tidewater on the Columbia River to private utilities because the struggle to secure Bonneville Dam took 12 long years. He believed in comprehensive Federal development of our matchless Pacific Northwest hydroelectric resources.

Today, as a result of his persistence, Bonneville is a monument to public power. I

don't want John Day and Green Peter to be public power's tombstone. That is why I am opposed to "partnership."

DENMARK'S HANDLING OF THE SALK VACCINE PROBLEM

Mr. NEUBERGER. Mr. President, a number of countries which share our devotion to freedom and democracy, but which are nevertheless not afraid of effective public action in matters of great public interest, have successfully adopted programs of inoculating their children with the Salk vaccine against polio. I have previously had occasion to describe to the Senate the exceptionally well-prepared and effective operation of the polio vaccine program in Canada. The Parade section of the Washington Post and Times Herald of July 24, 1955, carried an interesting story about an equally well-prepared program carried out by the Government of Denmark, entitled "The Country That Licked Polio."

The article reports that—

In contract to the fuss, delay, and debate that characterized the use of Salk vaccine in the United States, the Danish vaccinations were executed with precision, simplicity, and quiet efficiency.

It goes on:

When a rash of United States polio cases followed use of the American-manufactured vaccine, Denmark's medical specialists naturally were shocked.

"At first," one reports, "we couldn't figure it out. Why should the American people have had several failures when we've had such outstanding success? Then we discovered that our method of preparing and testing the polio vaccine was slightly different from that used in America. We had taken more safety precautions."

The article later mentions that in this country, higher standards, some conforming to Denmark's, were laid down late in May by the United States Public Health Service.

What was the secret of Denmark's success? This is the conclusion of the article in the Post and Times Herald:

The Danish polio vaccination plan is working smoothly because, as one government executive says, "there is one central authority behind it. The government speaks out clearly and forcefully to both doctors and public. We are told what has been worked out by Dr. Jeppe Oerskov, director of the Serum Institute, in collaboration with his staff and our government. In this way, everyone knows what to expect next.

"In your country things are different. The polio program has been started, stalled, revised, and bogged down because there is no overall plan. * * *"

Once in a while it is advantageous to be a small country like Denmark. Not very often, mind you, but once in a while.

I ask unanimous consent to have printed in the RECORD at this point, the article to which I have referred.

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

THE COUNTRY THAT LICKED POLIO

COPENHAGEN.—Denmark, the country of Hans Christian Andersen, cheese, and Victor Borge, is rejoicing. And with good reason.

Danish doctors, using America's new Salk vaccine, are convinced that they have licked polio, which in 1952 and 1953 ran rampant over this little nation (population 4½ million), causing more than 7,200 cases.

Since last April 400,000 Danish children between the ages of 6 and 11 have been inoculated. Each received a second Salk shot 6 weeks later. What makes the Danes so happy is that, as of this writing, not one case of infantile paralysis has developed in the inoculated youngsters. (Canada has had similar good results with its vaccine program.) Thus, doctors here are willing to assure Americans—and anyone else concerned—that the vaccine is safe and effective.

In contrast to the fuss, delay, and debate that characterized the use of the Salk vaccine in the United States, the Danish vaccinations were executed with precision, simplicity, and quiet efficiency.

One reason lies in the fact that Denmark is a compact nation, with a small population. In contrast to Denmark's 400,000 inoculations, the United States total stood at more than 6 million by mid-June. Another reason is that the Danes were prepared. They proceeded, and are proceeding, with a single inoculation plan that was worked out in some detail last year.

STOCKPILED IN 1954

Like the United States, Canada, and several other countries vitally interested in the course of polio research, Denmark was certain that the Salk polio vaccine would work. In 1954 its State-owned Serum Institute began manufacturing and stockpiling the vaccine. A few months ago, when a rash of United States polio cases followed use of the American-manufactured vaccine, Denmark's medical specialists naturally were shocked.

"At first," one reports, "we couldn't figure it out. Why should the American people have had several failures when we've had such outstanding success? Then we discovered that our method of preparing and testing the polio vaccine was slightly different from that used in America. We had taken more safety precautions."

The Danish doctor who insisted on these precautions and helped work them out is attractive, blue-eyed Herdis von Magnus. At 44, Dr. von Magnus is chief of the virus section, Denmark Serum Institute, and one of Europe's outstanding virologists. Recently she was flown to Washington to explain to United States Public Health officials the special testing and safety procedures she evolved in the Danish manufacture of the polio vaccine.

Interview shy and extremely modest, Dr. von Magnus refuses to discuss the details of this overseas mission. All she will say is, "The polio serum now manufactured in America is just as good as ours."

THE NEEDED CHANGES

The key word in Dr. von Magnus' statement is "now." Formerly United States-manufactured polio vaccine was not as safe as Denmark's, nor, experts here claim, were testing standards as high.

United States doctors, for example, have strong evidence that some live virus slipped through in the early preparation of one batch of vaccine. So, at least, claims Dr. Louis Gebhardt, director of the polio-research lab at the University of Utah. He tested the vaccine and found live virus in it.

We know, too, that following the inoculation of almost 6 million United States children 142 of the vaccinated youngsters contracted polio by June 3—72 after having been injected with vaccine manufactured by Cutter Laboratories, 42 by Lilly, 12 by Wyeth, 12 by Parke-Davis, and 4 by Pitman-Moore.

Most important, United States authorities themselves said American methods of producing Salk vaccine could stand improvement. Higher standards, some conforming to Denmark's, were laid down late in May by the United States Public Health Service. American manufacturers now must (1) conduct more tests of larger amounts of vaccine taken from each batch produced, (2) run additional tests during the "bottling" process, and (3) discard any vaccine which contains "live" virus instead of continuing to "recook" it over and over again in an effort to kill the disease-producing virus.

In Denmark the vaccine is not injected intra-muscularly into the arms of children as in the United States. Each inoculation consists of two intra-dermal (between layers of the skin) injections on the forearm; these are little more than pinpricks, similar to a smallpox vaccination.

This method, admittedly slower than that used in the United States, was considered by American experts, but ruled out because it would have been too time-consuming. However, it is practical for little Denmark.

Last April 15 the first series of mass inoculations was begun in Copenhagen by school doctors. All children from 6 to 11 who had been granted parental permission—and fewer than 50 parents in Denmark refused consent—were given vaccination cards bearing their name, the date and place of vaccination. Then they were "shot." Practically no harmful side effects were reported. And no cases of polio developed.

Eventually, the rest of Denmark's inhabitants are to be vaccinated in this order: Children from 6 months to 6 years, children from 12 to 18, all pregnant women, all soldiers, all other adults. Expenses are to be paid by the government.

IT PAYS TO BE LITTLE

The Danish polio vaccination plan is working smoothly because, as one government executive says, "there is one central authority behind it. The Government speaks out clearly and forcefully to both doctors and public. We are told what has been worked out by Dr. Jeppe Oerskov, director of the Serum Institute, in collaboration with his staff and our Government. In this way, everyone knows what to expect next.

"In your country things are different. The polio program has been started, stalled, revised and bogged down because there is no over-all plan. * * *

"Once in a while it is advantageous to be a small country like Denmark. Not very often, mind you. But once in a while.

COMPARISON OF PROPOSALS TO INCREASE THE PRODUCTIVITY AND EARNINGS OF LOW INCOME FARM FAMILIES

Mr. SPARKMAN. Mr. President, yesterday there was considerable discussion on the floor of the Senate about the plight of the small farmer. On February 19 of this year I introduced Senate bill 1199. Later, on April 27, President Eisenhower sent a message to Congress in behalf of the small farmer.

I requested the Legislative Reference Service of the Congressional Library to make a comparative study of the President's program; the program provided under the bill which I introduced, or the program provided by a companion bill introduced in the House of Representatives by Representative PATMAN, of Texas; and the recommendations made in

the study of the Joint Economic Committee, entitled "Underemployment of Rural Families in 1951."

I ask that this comparison be printed in the RECORD at this point as a part of my remarks.

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

COMPARISON OF PROPOSALS WITH RESPECT TO INCREASING THE PRODUCTIVITY AND EARNINGS OF LOW-INCOME FARM FAMILIES AS EMBODIED IN—

THE PRESIDENT'S MESSAGE OF APRIL 27 (AND SPECIFIC PROPOSALS AS LISTED IN SECRETARY BENSON'S LETTER)	SENATOR SPARKMAN'S BILL S. 1199 AND MR. PATMAN'S H. R. 4300	UNDEREMPLOYMENT OF RURAL FAMILIES, JOINT ECONOMIC COMMITTEE STAFF REPORT, 1951
	I. Proposed base of operations	
Launch pilot operations in not less than 50 of the 1,000 low-income counties during the coming fiscal year. In addition, community development programs can be undertaken. The one-fourth of the families on American farms who still have cash incomes of less than $1,000 per year would be the ultimate group included in the program.	SEC. 3. The President is authorized to determine from time to time from the latest official statistics available to him the counties or areas of the United States, not exceeding 500 in number at any one time, having the largest low-income farm population and to inaugurate and maintain in such counties a program to effectuate the purposes and policy of this act.	Special private and public programs are needed specifically to stimulate the 1 million families where the operator is able-bodied and of working age but produces only one-third as much as similar families on medium-sized commercial family farms.
	II. Expansion in research, training, and technical assistance	
1. Expand and adapt agricultural extension work to meet the needs of low-income farmers and part-time farmers. 8. Call upon the State agricultural colleges to make substantial research and extension contributions to a cooperative venture, employing in part the increased Federal funds already included in the 1956 budget request.	Existing agencies would be called on to render special assistance to low-income families or single persons living in rural areas.	Programs must differ from other educational and technical assistance programs primarily (1) in emphasis on items which stimulate these people to acquire an interest in improving their practices, (2) in adaptation of educational materials to reach people with little formal school training, and (3) in integration of educational programs with credit programs to finance adoption of improved practices. Creating an awareness and desire on the part of these families for higher levels of production and family living.
2. Develop needed research in farm and home management, human nutrition, population marketing, and in evaluating experience gained by pilot program.	Further research not specifically mentioned but the applicant, with assistance, would develop a farm and home management or family employment plan for increasing productivity and income.	
4. Increase technical assistance, such as provided by Soil Conservation Service, to low-income farmers.	Advice of technicians in such fields as soil conservation and supervised agricultural credit for agricultural production and farm enlargement and development would be provided by local and State offices of the agencies of the Department of Agriculture.	Providing technical assistance in the adoption of improved farm and home practices.
	III. Expansion of credit	
3. Provide additional credit for low-income farmers, and extend Farmers' Home Administration services to part-time farmers.	(c) To effectuate the purpose of this act the Secretary of Agriculture is authorized, upon such conditions as he shall prescribe, to insure and make loans of up to 25 years at not more than 4 percent interest for the purpose of financing the enlargement and development of owner-operated family-type farms by acquisition of additional land, establishment of improved pastures and sustained-yield woodlots, construction of adequate farm buildings and structures (including drainage facilities, irrigation facilities, and other facilities for the use, conservation, and improvement of soil and water), and such other related farm improvements as will increase the income-producing ability of the farm unit to a more nearly fully adequate family farm; and (d) To make or to insure 3- to 10-year loans at not more than 4 percent interest advanced by production credit associations and by private lenders for non-real-estate capital investment purposes; to make loans up to 50 years at not more than 3 percent interest to eligible applicants to acquire and manage on a sustained-yield basis additional forest or cutover land; to make loans for periods up to 10 years at not more than 4 percent interest to enable an eligible applicant to acquire needed logging equipment; to make loans of not more than 5 years at not more than 4 percent interest to eligible applicants to purchase capital stock of and pay membership fees to existing or new supply, service, or marketing cooperatives, including timber marketing and processing cooperatives; and to make loans to refinance existing indebtedness incurred for any of the above purposes on terms and conditions applicable to loans for such purposes: *Provided*, That creditors will enter into volun-	Coordinated effort should include making available adequate credit on long-term loans at reasonable interest rates for both land purchase (for farm enlargement) and increased working capital. After private credit agencies have been assisted in developing as large and aggressive a program in this field as is possible, there will be large numbers of families on inadequate farming units who have no adequate basis for private loans. These should be given a larger place in the Government's farm-credit program. Much larger funds are needed for farm-enlargement loans.

COMPARISON OF PROPOSALS WITH RESPECT TO INCREASING THE PRODUCTIVITY AND EARNINGS OF LOW-INCOME FARM FAMILIES AS EMBODIED IN—Continued

THE PRESIDENT'S MESSAGE OF APRIL 27 (AND SPECIFIC PROPOSALS AS LISTED IN SECRETARY BENSON'S LETTER)—continued	SENATOR SPARKMAN'S BILL S. 1199 AND MR. PATMAN'S H. R. 4300—continued	UNDEREMPLOYMENT OF RURAL FAMILIES, JOINT ECONOMIC COMMITTEE STAFF REPORT, 1951—continued
	tary agreements to make needed adjustments of outstanding indebtedness to realistic income possibilities of the collateral for the existing mortgage or mortgages: *Provided further,* That the Secretary of Agriculture shall establish a variable repayment schedule for all of the foregoing types of loans such that the repayment of interest and principal in any single year shall bear a reasonable relationship to the income of the participating family in that year.	
IV. The special place of the Farmers Home Administration		
10. Farmers Home Administration should be authorized to make loans to part-time farmers.	SEC. 5. After completion of a farm and home plan (available to eligible applicants whether full-time or part-time farmers), the Secretary through the county farmer committee will render every assistance possible to the applicant and his family in putting the new program into effect, including * * * assistance in obtaining credit needed from private cooperative, or governmental sources.	The making of farm enlargement loans and providing the technical assistance necessary to assure success of farm enlargement ventures might well be the major activity of the Farmers Home Administration in the years immediately ahead.
13. Lending authority of about $30 million should be provided for the Farmers' Home Administration.		
V. Coordination with and assistance from other departments		
5. Request the Department of Health, Education, and Welfare to encourage States to expand vocational training in rural areas of low income, instituting as many as 12 pilot operations during the school term starting in the fall of 1955 in order to gain experience needed for broad expansion of this extremely vital part of the total program.	SEC. 7. The Secretary of Health, Education, and Welfare is authorized to provide a program of adult vocational training in the designated counties both in farm and home management and in such other farm activities as the family plans of eligible applicants indicate as needed to maximize family income and productivity of family labor within the area.	Special technical assistance should be provided to help the people in these communities of widespread underemployment to determine their alternative employment opportunities and to acquire the necessary skills to secure employment in the field of their greatest interest.
6. Request the Department of Labor to strengthen the Employment Service in rural areas and further adapt it to the needs of rural people. Areas of rural underemployment should be identified and included as part of the labor market services to make occupational adjustments easier.	SEC. 6. Whenever the family determines to seek part-time or full-time farm or nonfarm employment off the farm, the problem shall be presented to the nearest farm labor placement center of the State employment service cooperating with the Department of Labor. Information concerning farm-labor opportunities also shall be made available to the family by State and county farm committees.	Informational programs on job opportunities in surrounding communities, job-training programs, and programs for assisting families who wish to move to new locations should be broad enough to reach and assist the parttime farm families and rural nonfarm families.
7. Undertake to get more effective programs developed to induce the expansion of industry in rural low-income areas, using facilities of the Departments of Labor and Commerce and the Office of Defense Mobilization.	SEC. 8. It is the policy of the Congress to encourage and stimulate the establishment of new or expanded private industrial, commercial, or service enterprises in widely dispersed rural areas as required to reduce vulnerability to modern war risks and in which, over an extended period of time, because of the number of underemployed rural persons with excessively low incomes, the number of existing industrial, commercial, or service enterprises, and the available markets and resources there are reasonable prospects for successful operation of additional private enterprises which would more fully utilize available manpower in rural areas. To effectuate this policy of industry dispersal, the departments and establishments in the executive branch of the Government shall be utilized and coordinated to— (a) provide technical aid and assistance to, and consult and cooperate with, farmers, businessmen, workers, cooperatives, civic organizations, clubs, and committees, community study and planning groups, and local and State governmental agencies; (b) prepare and distribute technical, defense, and economic information on opportunities in and necessities of private enterprise in various industries and areas in order to aid individuals, business firms, civic organizations, and local units of government in developing new or expanded industries best suited to local conditions, and the requirement of civil defense; (c) assist new or expanding industries in finding adequate private financing through local capital or otherwise and where such financing is found to be unavailable, extend Government loans or guaranties under existing authority; and	Private and public activities to bring new industries into these areas should be stepped up. Existing small-business programs of the Department of Commerce and lending agencies, as well as official decentralization plans should be integrated with other programs to provide fuller employment for workers in low-income rural communities.

COMPARISON OF PROPOSALS WITH RESPECT TO INCREASING THE PRODUCTIVITY AND EARNINGS OF LOW-INCOME FARM FAMILIES AS EMBODIED IN—Continued

THE PRESIDENT'S MESSAGE OF APRIL 27 (AND SPECIFIC PROPOSALS AS LISTED IN SECRETARY BENSON'S LETTER)—continued	SENATOR SPARKMAN'S BILL S. 1199 AND MR. PATMAN'S H. R. 4300—continued	UNDEREMPLOYMENT OF RURAL FAMILIES, JOINT ECONOMIC COMMITTEE STAFF REPORT, 1951—continued
	(d) use all appropriate means and authority to encourage and stimulate the maximum expansion in private enterprises consistent with the needs for national defense, with a sound, growing national economy, and with the necessities of civilian defense.	
	VI. Local initiative	
9. Aggressively encourage farm, business, and other leadership to assume local responsibility and to unite in efforts to aid in the development of agriculture's human resources, using trade area and community development programs to increase incomes of farmers and raise living standards. Expansion of these self-help programs should be assisted by the various governmental agencies concerned.	Assistance would be made available to low-income rural families who desire to increase their productivity and incomes and who apply for such assistance.	Much of the credit needed for the adoption of improved farm practices must come from private sources administered by local people who know the borrowers intimately. Bringing new industries into these areas is a most worthy project for local and State chambers of commerce and bankers' associations.
	VII. Provisions for administrative machinery	
14. The Secretary of Agriculture should coordinate the administration of the total program. A principal official of the Department should be designated to assume the direct administration of the program. Two coordinating committees will be needed: An interdepartmental committee and a committee within the Department of Agriculture to coordinate the work of its participating agencies.	Section 4 provides for use of the county farmer committees established under section 8 (b) of the Soil Conservation and Domestic Allotment Act. For certain purposes the Secretary shall make available the services of the local and State offices of the Department and the advice and assistance of other Federal agencies shall be made available.	A cooperative State and Federal program of special assistance to counties having high proportions of underemployed rural families should be developed without the creation of any additional agencies and as a part of a program of integrating and adapting the activities of existing agricultural agencies at the county level to meet more efficiently their local problems.
The Secretary of Agriculture should be required, in September of each year, beginning in 1956, to submit a comprehensive report to the President on the progress of activities directed toward alleviating the problems of low-income farmers and on plans for advancing the program, thus regularly focusing attention on the program and fixing responsibility for its administration.	Section 5 (a) authorizes and directs the Secretary of Agriculture to employ such full-time employees as may be required to carry out the purpose of the act.	The making of farm enlargement loans and providing technical assistance necessary to assure the success of farm-enlargement ventures might well be the major activity of the Farmers' Home Administration. The program would require that personnel be assigned to work specifically with small-scale farmers.
	VIII. Appropriations, etc.	
12. Appropriation requests are being recommended in addition to those in the regular budget for fiscal 1956.	SEC. 9. There is hereby authorized to be appropriated such sums as may be necessary for carrying out the provisions of this act.	Additional funds or personnel should not be required but should be available by transfer and reassignment.
11. Legislation should be enacted which would concentrate special funds outside the present agricultural extension formula for the purpose of conducting pilot programs and extending assistance to low-income farmers.		

FRENCH HAIL IKE AS WORLD'S FOREMOST STATESMAN

Mr. CARLSON. Mr. President, during the past 15 years, Presidents of the United States, Members of the Senate, and people living in the leading cities of the Nation have seen the distinguished articles and editorial presentations of Mr. A. N. Spanel, chairman of International Latex Corp., of Dover, Del.

I have before me an historic article which appeared on July 25 in the Washington Post and Times Herald, reprinted as a public service by the International Latex Corp. It describes President Eisenhower's dramatic and challenging Geneva appeal to the Russians to trade arms secrets as proof of mutual desire for peace.

It is significant and heartening to learn that Premier Edgar Faure, of France, was the first to arise, after Mr. Eisenhower finished his speech, to say: "If all the peoples of the world could have heard this great voice, they would have understood that July 21 marked the first great victory over skepticism."

The French felt that President Eisenhower had inherited the mantle of Sir Winston Churchill as the world's foremost statesman.

Mr. Spanel and the International Latex Corp. deserve great credit and recognition for helping to inform the American people of the importance of strong Franco-American relations to the free world.

Mr. President, I ask unanimous consent to have the article printed in the RECORD.

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

FRENCH HAIL IKE AS WORLD'S FOREMOST STATESMAN

GENEVA.—President Eisenhower's dramatic appeal to the Russians to trade arms secrets, as proof of a mutual desire for peace, made him today the unrivaled dominating figure of the Geneva summit conference.

One high French delegation spokesman said the French feel he has inherited the mantle of Sir Winston Churchill as the world's foremost statesman.

This new assertion of world leadership has been built surely and rapidly at the conference by his obvious sincerity, and the earnest and convincing way he has made his points—both inside and outside the conference chamber.

French Premier Edgar Faure, deeply moved by the President's daring proposal to the Russians, yesterday put it this way:

"President Eisenhower, by his bold stroke, has scored the first great victory over skepticism."

CAPTIVATED BY WARMTH

Geneva and much of the world's press have been similarly captivated by his personal warmth, sincerity, and great humanity.

The President is no maker of great and resounding phrases.

In fact, his bold proposal of yesterday was made in rough, looping, and gasping language—typical of his presentation of an idea that is expressed his own way, without the aid of ghost writers.

But even the British, whose concept of diplomacy is more orthodox, agreed today that General Eisenhower's personal diplomacy had done more than any other single thing to ease the 10-year-old suspicions and distrust of the cold war and to generate a new mood of confidence.

And his arms secrets exchange plan was a very personal stroke.

TIMING IS HIS OWN

It became known today that an intensive study had been begun March 18 on the project the President proposed. And the timing, the basic idea, and the language were his own.

The key paragraphs of the proposal, it became known, were delivered on the spur of close timing and without a prepared text.

Conference sources said it was Soviet Premier Nikolai Bulganin's outline of Russia's disarmament proposals that convinced General Eisenhower the time was ripe for his dramatic strike.

He read the smoothly phrased, carefully prepared text down to its docile center portion.

Then he removed his glasses. He turned directly toward Marshal Bulganin.

Pounding the table repeatedly for emphasis at several points, he outlined the plan which he said had come from deeply "searching heart and mind" for an expression of America's great sincerity in the search for disarmament and peace.

NO DOUBT OF MEANING

Haltingly, at points, awkwardly at others, he laid his plan before the conference. He reiterated for emphasis and explained his meaning in almost the terms of a teacher to an inattentive child.

There could be no mistaking the sweeping scope of his proposal, the depth of his sincerity or the meaning of his words.

The high-ceilinged conference room was hushed. All eyes were riveted on the speaker.

Near the end a thunderstorm broke over Geneva. A short circuit snuffed out the lights almost on General Eisenhower's closing words:

Silence and emotional tension followed.

"I didn't expect to blow out the lights," the President commented, as much to himself as to the delegations.

A French spokesman said the tension in the chamber was so great that few if any noticed that the lights had gone out.

EDGAR FAURE IN REPLY

When the lights came back on Premier Faure was the first to arise and reply.

"The chief enemy of disarmament," he said, "is lack of confidence and skepticism."

"If all the peoples of the world could have heard this great voice, they would have understood that July 21 marked the first great victory over skepticism."

Today that all-absorbing topic of conversation among delegates was this great voice in which the President spoke. And press comments indicated the people of the world had indeed heard and were impressed.

The President relaxed last night at the first social function protocol has permitted him to attend with the other members of the Big Four. It was a reception given by Swiss President Max Petitpierre.

His arrival was marked by the biggest, loudest, and warmest cheer given by a crowd of some 2,000 Swiss lined up outside the Eynard Palace, where the dinner was held.

There was no doubt today that a new mood and a new atmosphere are in the making in international diplomacy. And if French Premier Faure is a judge, it is President Eisenhower who has led the way in the fight against skepticism and distrust.

Presented as a public service by—

INTERNATIONAL LATEX CORP.

DOVER, DEL.

The VICE PRESIDENT. Is there further morning business?

Mr. BIBLE. Mr. President, if there is no further morning business, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SCOTT in the chair). Without objection, it is so ordered.

VISIT TO THE SENATE BY THE RHYTHMETTES

Mr. BIBLE. Mr. President, let me call the attention of the Members of the Senate to the fact that today we are particularly honored by having with us a group of fine young Las Vegas High-School students, the Rhythmettes. They are a precision drill team without equal anywhere in the United States. They have appeared throughout the entire east coast. A week ago Sunday evening, they appeared on Ed Sullivan's special television show, The Toast of the Town.

With the indulgence of the Chair, I should like to direct the attention of all my colleagues to the section of the gallery to my left, where the Rhythmettes are seated; and I ask that they stand and take a bow from the Senate of the United States.

[The designated guests of the Senate in the gallery rose, and were greeted with applause by the Members of the Senate.]

PROPOSED AMENDMENT OF NATIONAL LABOR RELATIONS ACT, DEALING WITH HOTELS

Mr. LEHMAN. Mr. President, I introduce, for appropriate reference, a bill to amend the National Labor Relations Act to clarify the jurisdiction of the board over disputes involving hotels. The introduction of this bill is frankly a direct outgrowth of the 3½ month old strike involving the major hotels in Miami and Miami Beach, Fla.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2651) relating to the status of hotels under the National Labor Relations Act, as amended, introduced by Mr. LEHMAN was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. LEHMAN. The National Labor Relations Board presently has before it an appeal from the ruling of the regional director of its Atlanta office declining to exercise jurisdiction in this very serious labor dispute. Evidently this ruling was based upon certain board precedents in which, under the National Labor Relations Act, the NLRB has refused to assert jurisdiction over disputes involving hotels, no matter how serious the dispute or how widespread its repercussions.

This ruling by the Regional Director of the NLRB was made in the face of the fact that there is no adequate State machinery or facilities in Florida for handling this dispute. The workers are without any safeguards or protection whatsoever. This is an unjust discrimination which Congress never intended. It is an intolerable situation.

On July 20, I wrote to Mr. Guy Farmer, Chairman of the NLRB, asking that the Board act to take jurisdiction in this dispute. I ask unanimous consent that a copy of my letter be printed in the RECORD at this point.

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

JULY 20, 1955.

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

DEAR MR. FARMER: I am writing in regard to the current hotel strike in Miami Beach, Fla., a strike which, according to my information, has been in progress since April 13.

My interest in this dispute stems not only from my membership on the Labor Committee, but also from the great concern shown over this strike by organized labor in my own State of New York. In recent days, the New York State Federation of Labor, in convention assembled, heard a report on this strike from AFL president, George Meany, and passed a resolution urging and insisting that the NLRB assume jurisdiction over this strike. Representatives of the New York State Federation of Labor have been in touch with me and have expressed the deep and abiding interest of the organized-labor movement of New York in a prompt intervention in this situation by the NLRB. I have been advised that the regional director of the NLRB has rejected the request of local No. 255 of the Hotel and Restaurant Employees and Bartenders International Union that the Board take jurisdiction and extend to the employees of the various Miami Beach hotels the Board's services and assistance.

I am aware, of course, of the general policies of the current Board—and of past Boards—in regard to assuming jurisdiction over hotel strikes. There is, however, a rule of reason in those matters. In the case of the Miami Beach strike, there is no State labor board and no local services or safeguards comparable with those afforded by the National Labor Relations Act—however inadequate that act is, in my judgment. For the NLRB to fail to take jurisdiction in this case is to leave the workers employed by the Miami Beach hotels at the mercy of their employers without any of the safeguards Congress has provided for the workers of the Nation.

There is no question in my mind that the employees of the Miami Beach hotels are, in the broad construction, engaged in an industry involved in interstate commerce. The Miami Beach hotels are maintained for transients, tourists, and vacationists from other parts of the country, and scarcely at all for local residents.

This strike, I am informed, involved 2,000 hotel workers. Organized labor in every part of the country, in every craft and industry, are interested in the successful settlement of this strike, and have expressed, through their representatives, their urgent hope that the Board will proceed immediately to take jurisdiction in the strike.

I would very much appreciate having your earliest reaction to my request that the Board do, in fact, take action in this strike. I shall await eagerly hearing from you.

I am considering a request to the Labor Committee to look into this situation, with special reference to the statutory basis for the position taken by the regional director of the Board. Should it prove necessary to enact legislation requiring the Board to take jurisdiction in such cases, I shall be inclined to introduce such legislation. It seems to me, however, that whatever the glaring faults in the National Labor Relations Act—and there are many—it certainly gives the Board adequate authority to take jurisdiction in this matter.

Yours very sincerely,

HERBERT H. LEHMAN,
United States Senate.

Mr. LEHMAN. In addition to introducing this bill, which will make clear the authority of the Board to exercise jurisdiction in disputes involving hotels,

I intend, at the earliest practicable moment, to move in the Senate Labor and Public Welfare Committee for an investigation of the jurisdictional policies of the Board.

Particularly during the past 2 years, the National Labor Relations Board has, either through positive declarations or through failures to act, so narrowed its jurisdiction as to call into serious question the effectiveness of Federal statutes attempting to promote harmonious labor-management relations. Therefore I hope that the Senate Committee on Labor and Public Welfare, of which I am a member, will act to investigate this matter of the Board's jurisdiction in labor disputes which are of concern not only to their participants but to all Americans interested in equitable and constantly improving labor relations.

I now ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill (S. 2651) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 14 of the National Labor Relations Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(c) Nothing in this act shall be construed to authorize the Board to decline to exercise jurisdiction over any labor dispute solely by reason of the fact that the employer in such dispute is the operator, or agent of the operator, of one or more hotels."

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

Mr. LEHMAN. I yield to my colleague.

Mr. IVES. Is it not a fact that the National Labor Relations Board has never asserted jurisdiction over any dispute in which hotels were involved?

Mr. LEHMAN. It is a fact that many of the rulings and precedents of the National Labor Relations Board have been in the direction of not asserting jurisdiction——

Mr. IVES. At any time; is not that correct?

Mr. LEHMAN. Let me conclude my statement. Unquestionably — and I think my colleague will agree with me— the intention of the Congress in passing the National Labor Relations Act was to give jurisdiction in matters affecting labor relations to the National Labor Relations Board, unless there was adequate machinery within the State to handle the situation. There is no adequate machinery in the State of Florida, so far as I know, in this instance.

Mr. IVES. Mr. President, will the Senator yield in order that I may comment on that point?

Mr. LEHMAN. I yield.

Mr. IVES. I have checked the situation rather carefully, and I learn that, so far as the Senate is concerned, any debate on this subject which may have occurred in the past never showed that it was the intent of the Senate to have the National Labor Relations Board intervene in hotel cases. I do not think there was ever much debate on that particular subject in the Senate.

I have in mind a St. Louis case. The only debate on the particular point raised occurred in the course of the debate in the Senate in 1949. There was some discussion of the subject at that time. Senator Taft, who happened to be the sponsor of the bill with which I did not agree, made a statement to the effect that it was never the intention of the Congress to have the Labor Relations Board assert jurisdiction over hotel cases. I quote from what he had to say:

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 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.

In its decision in the St. Louis case, which was rendered at that time by a majority of the Board, the following statement appears:

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 comment officially upon the same subject.

So far as I am aware, that is the only debate in the Senate which has ever occurred on this question. I will stand corrected if I am mistaken. It is the only debate that has come to the attention of the Board, in any event.

Mr. LEHMAN. I do not know the history of the enactment of the original Taft-Hartley Act, as I was not in the Senate at that time. I became a Member of the Senate in 1949. I believe that the intent of Congress was to deal with matters which affect interstate interests, unless machinery had been setup within a State to deal with problems which ordinarily would be within the jurisdiction of the National Labor Relations Board. Certainly the hotels in Florida in which the strike is now occurring affect interstate relationships. The guests in those hotels do not come from Miami Beach or from Miami, or other places in Florida. They come from outside the State of Florida.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. LEHMAN. Mr. President, I ask unanimous consent that we be permitted to debate the matter for 15 minutes, and so that the Senator who introduced the bill may be interrogated.

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

Mr. POTTER. Mr. President, I do not like to object, but I wonder whether the distinguished Senator from New York would allow some of us who have bills to introduce to do so. After the transaction of such routine business the distinguished Senator from New York may continue his debate. As I understand, the Senate is still in the morning hour.

Mr. CLEMENTS. Mr. President, will the Senator from New York yield to me?

Mr. LEHMAN. I yield.

Mr. CLEMENTS. I should like to suggest to the Senator from New York that he include in his unanimous-consent request that he will yield for the purpose stated by the Senator from Michigan.

Mr. LEHMAN. I certainly shall be glad to include such a provision. I thought the morning hour had been completed. I have spoken many times on the floor of the Senate in criticism of Senators taking up the time when other Senators wished to submit routine matters or make insertions in the RECORD. I shall be glad to include in my request the statement suggested by the Senator from Kentucky. I should like to ask one more question of my distinguished colleague.

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

Mr. LEHMAN. I yield.

Mr. CLEMENTS. My suggestion is that in the Senator's unanimous-consent request for an additional 15 minutes, he give assurance that he will yield to any Senator who wishes to submit routine business or to make an insertion in the RECORD.

Mr. LEHMAN. Mr. President, I include such a provision in my unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. LEHMAN. I should like to ask a question of my distinguished colleague from New York. Does he oppose the amendment I propose to the law? Does he oppose giving to the National Labor Relations Board jurisdiction of this question, which is of great national interest?

The PRESIDING OFFICER. Debate is out of order at this time. The Senator from Michigan [Mr. POTTER] has the floor.

Mr. IVES. Mr. President, may I be permitted to answer that question?

Mr. POTTER. Mr. President, first, I wish to take care of my own business; then I shall be glad to yield the floor.

(At this point Mr. POTTER introduced a bill, which appears elsewhere in the RECORD under the appropriate heading.)

Mr. POTTER. I wish to thank the distinguished Senator from New York [Mr. LEHMAN] for his usual courtesy.

Mr. IVES. Mr. President, does my colleague the junior Senator from New York wish to have me answer his question now?

Mr. LEHMAN. Yes; I shall be glad to yield time to the Senator for that purpose.

Mr. IVES. Mr. President, I wonder whether we could have unlimited time for this debate because this question cannot be explored in 15 minutes. May we have 30 minutes?

Mr. CLEMENTS. Mr. President, reserving the right to object, I advise my friend that there is on the Executive Calendar a treaty of some importance. The Members of the Senate who are responsible for handling the treaty in the Senate are on the floor and they are ready to take up that treaty. My suggestion to my friend from New York is that there will be ample time during the day for lengthy discussions.

I do not like to object. I wonder whether the Senator would be willing to withdraw his request?

Mr. IVES. I withdraw it, if I may be permitted to continue within the time which has already been allotted.

Mr. CLEMENTS. Does the Senator mean within the 15 minutes?

Mr. IVES. That is correct.

Mr. LEHMAN. I may say that there are other Senators who desire to ask questions of me. I do not wish to yield my entire 15 minutes to my colleague from New York.

Mr. IVES. I had no thought of taking the entire 15 minutes.

Mr. LEHMAN. I yield 5 minutes to my colleague.

Mr. IVES. I wish it distinctly understood that I am in no way opposing the bill which has been introduced by my colleague from New York. It would be a very salutary thing to have the whole matter cleared up once and for all.

However, we should not condemn the National Labor Relations Board as it exists today or as it has existed at any time in the past.

Ever since 1935, when the Wagner Labor Relations Act was enacted, the Board has held that the hotel industry does not come within the purview of the act, and the board has so ruled in every case considered by it. Furthermore, it should be definitely understood that opposition to having the National Labor Relations Board assert jurisdiction over disputes of this character has not come exclusively from one side or the other in a dispute. Both the hotel employers and the major labor organizations representing hotel employees—and this is true of the latest case decided by the Board, namely, the one from which I quoted, which is the St. Louis case—have opposed the assertion of jurisdiction by the National Labor Relations Board in such cases. That has been true throughout the years.

The time has come when this policy should be fully reviewed. I have always had grave doubt as to whether the question should be left strictly to the determination of the locality which may be affected.

In many areas it is a local question. In other areas—and I believe presumably Florida is one of such other areas—where so many of the hotel guests are from outside the State, presumably the question should be handled by the National Labor Relations Board.

However, it should be understood that in the past when questions of this kind arose in New York State, the board or State agency which first took jurisdiction retained jurisdiction, under an understanding between the State agency and the National Labor Relations Board. If Florida had such a State agency, presumably the same procedure would have been followed in that State.

Furthermore, I should like to point out that I, too, and as early as my colleague, got in touch with the National Labor Relations Board and urged it to review the whole matter and to reconsider the action which it had taken in the past, with the idea perhaps of reversing itself in the present instance.

I am not a great believer in precedent when precedent is not sound. I think the time has come when probably a board should reverse itself, but, in the first instance, the board must review the decision of the regional director. It is on appeal to them at the present moment. They have had it less than 2 weeks. I understand on the best authority of which I know that they will render a decision within the next few days. So we shall know where we stand and shall know better where we stand with respect to the bill which my colleague has introduced.

Mr. DOUGLAS. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield.

Mr. DOUGLAS. Is it not true that the hotels at Miami Beach draw the major portion of their guests from outside the State of Florida?

Mr. LEHMAN. That is quite true. People go there to enjoy the pleasant climate and sunshine of Florida. They go there from many States.

Mr. DOUGLAS. When I read the New York newspapers on Sundays I generally notice the large volume of advertising from Miami Beach hotels, describing the beauties of Miami Beach. Knowing something about advertising rates of New York newspapers, is it not probable that the Miami Beach hotels spend hundreds of thousands of dollars in New York City, and to a lesser degree in Chicago, in advertising the beauties of Miami Beach and the attractiveness of their particular hotels?

Mr. LEHMAN. The Senator is eminently correct.

Mr. DOUGLAS. Is it not true that when people from the North and the East—I do not suppose many people from California go to Miami Beach—they, of necessity, cross State lines?

Mr. LEHMAN. Of course they do, in every case.

Mr. DOUGLAS. Is it not also true that the hotels in Miami Beach in large part recruit their help from across State lines?

Mr. LEHMAN. I believe that to be a fact.

Mr. DOUGLAS. In view of the interstate character of the business, may I ask if Florida has a satisfactory labor law to determine authorized agencies for collective bargaining? I believe the union regulation law of Florida does require an employer to bargain in good faith with the union which represents the majority of the employees; but is it not true that this law provides no method whereby a union may demonstrate whether or not it represents the majority?

Mr. LEHMAN. I have been informed that there is no labor relations board in the State of Florida, or locally, which has comparable powers with those of the National Labor Relations Board.

Mr. DOUGLAS. So that in a sense the hotels in Florida feel that it is a no-man's land, so far as collective bargaining is concerned.

Mr. LEHMAN. I believe so. I have no doubt there has been a desire on the part of the community to settle the strike which has been going on for 3½ months, but there is no adequate machinery with which to accomplish it.

Mr. DOUGLAS. So, what the Senator from New York is trying to do is to provide a remedy designed for interstate commerce and industries affecting interstate commerce in a particular field where interstate commerce with reference to patrons of hotels already exists?

Mr. LEHMAN. That is quite so.

Mr. NEUBERGER. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield.

Mr. NEUBERGER. I have been very much interested in the discussion by the junior Senator from New York regarding the hotel strike now occurring in Miami Beach, Fla. Is it not correct that Florida is one of the States having a so-called right-to-work act?

Mr. LEHMAN. I am not certain from my own knowledge, but I believe that to be a fact.

Mr. NEUBERGER. The reason why I ask that question is that having come relatively recently into this body from a State legislature which debated a so-called right-to-work bill for many months. As a matter of fact, the Oregon Legislature mistakenly adopted such a statute; at least, I believe it was a mistake. The governor of the State of Oregon signed that bill. But does it not show that a so-called right-to-work statute neither terminates a bitter, festering labor dispute, nor brings about justice and equity to the workers involved?

Mr. LEHMAN. I would say that the Senator from Oregon is entirely correct. Such a law not only does not accomplish the things about which the Senator speaks, but it certainly has never brought about an improvement in working standards or standards of living in a community.

Mr. NEUBERGER. Commenting further on what the Senator from New York has said, the situation in Florida would serve to demonstrate to other States that perhaps the 18 States of the Union which have adopted so-called right-to-work laws should review the wisdom of their decision.

Mr. LEHMAN. I hope they will do so.

Mr. NEUBERGER. As a journalist, I have been especially concerned and alarmed because of reports that certain newspapers in the country have declined to take advertisements which were offered, with payment promised, of course, by the union which represents the workers involved in the strike at Miami Beach. Are such reports correct?

Mr. LEHMAN. I am informed that they are correct.

Mr. NEUBERGER. Naturally, I do not have the actual evidence as to whether the reports are correct, so I shall not make a final and definite statement concerning them, but it would seem to me that if any newspaper has refused a legitimate advertisement for which adequate payment was promised, and the refusal came about because of pressure, it is most unfortunate in a great, free nation which prides itself on a free press, because that is one of the cornerstones and one of the fundamental props of our American democracy.

Mr. LEHMAN. I fully agree with the Senator.

Mr. NEUBERGER. I certainly commend the Senator from New York for the humanitarian interest which he has shown in the situation at Miami Beach, Fla. It is further evidence of the liberal and humane viewpoint he takes of all the social questions of our time.

Mr. LEHMAN. I thank the Senator.

Mr. McNAMARA. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield.

Mr. McNAMARA. Mr. President, as one of those who contacted the National Labor Relations Board and expressed the opinion that they should intervene and take jurisdiction of the strike situation at Miami Beach, I am certainly encouraged to hear the remarks which have been made today, and I am glad to hear that the senior Senator from New York [Mr. IVES] has said we will have a definite report from the Board within the next few days.

I wish to associate myself with the position which has been taken by the junior Senator from New York [Mr. LEHMAN] and to tell him that I hope I shall be able to help.

Mr. LEHMAN. I thank the Senator.

I have no disposition whatsoever to attempt to influence decisions of the National Labor Relations Board. I think that would be against every concept I have of good government. What I wish to provide for is that the National Labor Relations Board or some board with similar and equal powers may be able to intervene in the matter and settle the strike, because I believe that would be in the national public interest.

Mr. HUMPHREY. Mr. President, I join with the junior Senator from New York [Mr. LEHMAN] in his expressed interest in the situation which relates not only to the hotels in one particular city, but also in any other area where there seems to be inadequate machinery for the equitable settlement of labor disputes, or where there is a factor of interstate commerce involved, as there generally is at a point of transition, such as at a hotel having an itinerant population.

I especially commend the Senator's suggestion, as I have read it, that the Senate Committee on Labor and Public Welfare inquire into the jurisdictional policies of the National Labor Relations Board.

The Senator may recall that we served together on the Subcommittee on Labor and Labor-Management Relations of the Committee on Labor and Public Welfare. He may further recall that during that period of service we inquired into the jurisdictional policies of the Board.

I think it is fair to say that any labor law which Congress enacts, whether we agree with it or not, is to a large degree dependent upon the exercise of authority and jurisdiction on the part of the Board which is established. The National Labor Relations Board, in this instance, is the heart and core of the administration of the Labor-Management Relations Act. The members of that Board are very important individuals. Their attitudes and the policies they announce are of the utmost importance to the economic stability and progress of the country.

There has been comment in certain circles of both industry and labor in recent months to the effect that the board is tending to narrow its jurisdiction to such a point that the protections which are written into the labor-management law will no longer be afforded, and that the labor-management policies of the country are being allowed to remain in a no-man's land, with no agency and no service available to be of any particular help. We have observed the board taking an ever more restrictive attitude with respect to what they call local establishments, even though the local establishments may be fully integrated into the stream of interstate commerce.

Without passing any value judgment on the question, it seems to me to be the responsibility and the duty of the Senate Committee on Labor and Public Welfare and its excellent staff to conduct this kind of inquiry.

The PRESIDING OFFICER. The time which had been allowed for this discussion has expired.

Mr. LEHMAN. Mr. President, I ask unanimous consent that I may yield an additional minute to the junior Senator from Minnesota.

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

Mr. HUMPHREY. As one who has taken an interest in the work of the committee in an effort to improve labor-management relations, I associate myself with the expressed desire of the junior Senator from New York, namely, to enter upon this inquiry into the jurisdiction of the Labor Relations Board.

Mr. LEHMAN. I thank the Senator from Minnesota.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

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

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

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting several nominations, and withdrawing the nomination of John P. Ivers, to be postmaster at Oceanlake, Oregon; which nominating messages were referred to the Committee on Foreign Relations.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. DANIEL, from the Committee on the Judiciary:

Joe Ewing Estes, of Texas, to be United States district judge for the northern district of Texas, vice William Hawley Atwell, retired.

By Mr. ROBERTSON, from the Committee on Banking and Currency:

Harold C. Patterson, of Virginia, to be a member of the Securities and Exchange Commission.

By Mr. GEORGE, from the Committee on Foreign Relations:

Francis O. Wilcox, of Iowa, to be an Assistant Secretary of State.

Mr. GREEN, from the Committee on Foreign Relations:

Henry Cabot Lodge, Jr., of Massachusetts, Brooks Hays, of Arkansas, Chester E. Merrow, of New Hampshire, Dennis Joseph Roberts, of Rhode Island, and Colgate Whitehead Darden, Jr., of Virginia, to be representatives at the 10th session of the General Assembly of the United Nations; and

Robert Lee Brokenburr, of Indiana, Laird Bell, of Illinois, Jacob Blaustein, of Maryland, James J. Wadsworth, of New York, and Mrs. Oswald B. Lord, of New York, to be alternate representatives at the 10th session of the General Assembly of the United Nations.

TREATY OF FRIENDSHIP, COMMERCE, AND NAVIGATION WITH THE FEDERAL REPUBLIC OF GERMANY

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Executive E, a treaty of friendship, commerce, and navigation between the United States of America and the Federal Republic of Germany.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the treaty (Ex. E, 84th Cong., 1st sess.), a treaty of friendship, commerce, and navigation between the United States of America and the Federal Republic of Germany, together with a protocol and two exchanges of notes relating thereto, signed at Washington on October 29, 1954, which was read the second time, as follows:

TREATY OF FRIENDSHIP, COMMERCE, AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND THE FEDERAL REPUBLIC OF GERMANY

The United States of America and the Federal Republic of Germany desirous of strengthening the bonds of friendship existing between them and of encouraging closer economic and cultural relations between their peoples, and being cognizant of the contributions which may be made toward these ends by arrangements promoting mutually advantageous commercial intercourse, encouraging mutually beneficial investments, and establishing mutual rights and privileges, have resolved to conclude a Treaty of Friendship, Commerce, and Navigation, based in general upon the principles of national and of unconditional most-favored-nation treatment reciprocally accorded, and for that purpose have appointed as their Plenipotentiaries:

The President of the United States of America; Mr. John Foster Dulles, Secretary of State of the United States of America, and the President of the Federal Republic of Germany; Dr. Konrad Adenauer, Federal Chancellor and Federal Minister of Foreign Affairs, who, having communicated to each other their full powers found to be in due form, have agreed as follows:

ARTICLE I

1. Each party shall at all times accord fair and equitable treatment to the nationals and companies of the other party, and to their property, enterprises, and other interests.

2. Between the territories of the two parties there shall be, in accordance with

the provisions of the present treaty, freedom of commerce and navigation.

ARTICLE II

1. Nationals of either party shall, subject to the laws relating to the entry and sojourn of aliens, be permitted to enter the territories of the other party, to travel therein freely, and to reside at places of their choice. Nationals of either party shall in particular be permitted to enter the territories of the other party and to remain therein: (a) for the purpose of carrying on trade between the territories of the two parties and engaging in related commercial activities; (b) for the purpose of developing and directing the operations of an enterprise in which they have invested, or in which they are actively in the process of investing, a substantial amount of capital.

2. Each party undertakes to make available the best facilities practicable for travel by tourists and other visitors with respect to their entry, sojourn and departure, and for the distribution of information for tourists.

3. Nationals of either party, within the territories of the other party, shall enjoy freedom of conscience; and they shall be at liberty to hold religious services, both private and public, at suitable places of their choice.

4. Nationals of either party shall be permitted, within the territories of the other party, to gather information material for dissemination to the public, and shall enjoy freedom of transmission of such material to be used abroad for publication by the press, radio, television, motion pictures, and other means; and they shall be permitted to communicate freely with other persons inside and outside such territories by mail, telegraph, and other means open to general public use.

5. The provisions of the present article shall be subject to the right of either party to apply measures that are necessary to maintain public order and protect the public health, morals, and safety.

ARTICLE III

1. Nationals of either party within the territories of the other party shall be free from molestations of every kind, and shall receive the most constant protection and security. They shall be accorded in like circumstances treatment no less favorable than that accorded nationals of such other party for the protection and security of their persons and their rights. The treatment accorded in this respect shall in no case be less favorable than that accorded nationals of any third country or that required by international law.

2. If, within the territories of either party, a national of the other party is taken into custody, the nearest consular representative of his country shall on the demand of such national be immediately notified and shall have the right to visit and communicate with such national. Such national shall: (a) receive reasonable and humane treatment; (b) be formally and immediately informed of the accusations against him; (c) be brought to trial as promptly as is consistent with the proper preparation of his defense; and (d) enjoy all means reasonably necessary to his defense, including the services of competent counsel of his choice.

ARTICLE IV

1. Nationals of either party shall be accorded national treatment in the application of laws and regulations within the territories of the other party that establish a pecuniary compensation or other benefit or service, on account of disease, injury, or death arising out of and in the course of employment or due to the nature of employment.

2. Nationals of either party shall furthermore be accorded national treatment with regard to the application of social-security laws and regulations within the territories of the other party under which benefits are provided without examination of financial need in the following cases: (a) sickness, including temporary disability for work, and maternity; (b) old age, invalidity, or occupational disability; (c) death of the father, spouse, or any other person liable for maintenance; (d) unemployment.

ARTICLE V

1. Property of nationals and companies of either party shall receive the most constant protection and security within the territories of the other party.

2. The dwellings, offices, warehouses, factories, and other premises of nationals and companies of either party located within the territories of the other party shall not be subject to molestation or to entry without just cause. Official searches and examinations of such premises and their contents, when necessary, shall be made only according to law and with careful regard for the convenience of the occupants and the conduct of business.

3. Neither party shall take unreasonable or discriminatory measures that would impair the legally acquired rights or interests within its territories of nationals and companies of the other party in the enterprises which they have established, in their capital, or in the skills, arts, or technology which they have supplied.

4. Property of nationals and companies of either party shall not be taken within the territories of the other party, except for the public benefit and in accordance with due process of law, nor shall it be taken without just compensation. Such compensation shall represent the equivalent of the property taken and shall be made in an effectively realizable form and without unnecessary delay. Adequate provision shall have been made at latest by the time of the taking for the determination and the giving of the compensation.

5. Nationals and companies of either party shall in no case be accorded, within the territories of the other party, less than national treatment and most-favored-nation treatment with respect to the matters set forth in paragraphs 2 and 4 of the present article. Moreover, enterprises in which nationals or companies of either party have a substantial interest shall be accorded, within the territories of the other party, not less than national treatment and most-favored-nation treatment in all matters relating to the taking of privately owned enterprises into public ownership and to the placing of such enterprises under public control.

ARTICLE VI

1. Nationals and companies of either party shall be accorded national treatment with respect to access to the courts of justice and to administrative tribunals and agencies within the territories of the other party, in all degrees of jurisdiction, both in pursuit and in defense of their rights. It is understood that companies of either party not engaged in activities within the territories of the other party shall enjoy such access therein without any requirement of registration or domestication.

2. Contracts entered into between nationals or companies of either party and nationals or companies of the other party, that provide for the settlement by arbitration of controversies, shall not be deemed unenforcible within the territories of such other party merely on the grounds that the place designated for the arbitration proceedings is outside such territories or that the nationality of one or more of the arbitrators is not that of such other party. Awards duly rendered pursuant to any such contracts, which are final and enforcible under the laws of the place where rendered, shall be deemed conclusive in enforcement proceedings brought before the courts of competent jurisdiction of either party, and shall be entitled to be declared, enforcible by such courts, except where found contrary to public policy. When so declared, such awards shall be entitled to privileges and measures of enforcement appertaining to awards rendered locally. It is understood, however, that awards rendered outside the United States of America shall be entitled in any court in any State thereof only to the same measure of recognition as awards rendered in other States thereof.

ARTICLE VII

1. Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment with respect to engaging in all types of commercial, industrial, financial, and other activity for gain, whether in a dependent or an independent capacity, and whether directly or by agent or through the medium of any form of lawful juridical entity. Accordingly, such nationals and companies shall be permitted within such territories: (a) to establish and maintain branches, agencies, offices, factories and other establishments appropriate to the conduct of their business; (b) to organize companies under the general company laws of such other party, and to acquire majority interests in companies of such other party; and (c) to control and manage enterprises which they have established or acquired. Moreover, enterprises which they control, whether in the form of individual proprietorships, companies or otherwise, shall in all that relates to the conduct of the activities thereof, be accorded treatment no less favorable than that accorded like enterprises controlled by nationals or companies of such other party.

2. Each party reserves the right to limit the extent to which aliens may establish, acquire interests in, or carry on enterprises engaged within its territories in communications, air or water transport, taking and administering trusts, banking involving depository functions, or the exploitation of land or other natural resources. However, new limitations imposed by either party upon the extent to which aliens are accorded national treatment, with respect to carrying on such activities within its territories, shall not be applied as against enterprises which are engaged in such activities therein at the time such new limitations are adopted and which are owned or controlled by nationals or companies of the other party. Moreover, neither party shall deny to transportation, communications and banking companies of the other party the right to maintain branches and agencies, in conformity with the applicable laws and regulations, to perform functions necessary for essentially international operations in which they engage.

3. The provisions of paragraph 1 of the present article shall not prevent either party from prescribing special formalities in connection with the establishment of alien-controlled enterprises within its territories; but such formalities may not impair the substance of the rights set forth in said paragraph.

4. Nationals and companies of either party, as well as enterprises controlled by such nationals or companies, shall in any event be accorded most-favored-nation treatment with reference to the matters treated in the present article.

ARTICLE VIII

1. Nationals and companies of either party shall be permitted to engage, within the territories of the other party, accountants and other technical experts, executive personnel, attorneys, agents, and other specialists of their choice. Moreover, such nationals and companies shall be permitted to engage accountants and other technical experts regardless of the extent to which they may have qualified for the practice of these professions within the territories of such other party, for the particular purpose of making for internal purposes examinations, audits, and technical investigations for, and rendering reports to, such nationals and

companies in connection with the planning and operation of their enterprises, and enterprises in which they have a financial interest, within such territories.

2. Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment and most-favored-nation treatment with respect to engaging in scientific, educational, religious, and philanthropic activities, and shall be accorded the right to form associations for that purpose under the laws of the country. Nothing in the present treaty shall be deemed to grant or imply any right to engage in political activities.

ARTICLE IX

1. Nationals and companies of either party shall be accorded within the territories of the other party: (a) national treatment with respect to leasing land, buildings, and other real property appropriate to the conduct of activities in which they are permitted to engage pursuant to articles VII and VIII and for residential purposes, and with respect to occupying and using such property; and (b) other rights in real property permitted by the applicable laws of such other party.

Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment and most-favored-nation treatment with respect to acquiring by purchase, lease, or otherwise, and with respect to owning and processing, personal property of all kinds, both tangible and intangible. However, either party may impose restrictions on alien ownership of materials dangerous from the standpoint of public safety and alien ownership of interests in enterprises carrying on the activities listed in the first sentence of paragraph 2 of article VII, but only to the extent that this can be done without impairing the rights and privileges secured by article VII or by other provisions of the present treaty.

3. Nationals and companies of either party shall be accorded national treatment, within the territories of the other party, with respect to acquiring property of all kinds by testate or intestate succession or under judicial sale to satisfy valid claims. Should they because of their alienage be ineligible to continue to own any such property, they shall be allowed a period of at least 5 years in which to dispose of it.

4. Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment and most-favored-nation treatment with respect to disposing of property of all kinds.

ARTICLE X

1. Nationals and companies of either party shall be accorded, within the territories of the other party, national treatment with respect to obtaining and maintaining patents of invention, and with respect to rights in trademarks, trade names, trade-labels, and industrial property of every kind.

2. The parties undertake to cooperate in furthering the interchange and use of scientific and technical knowledge, particularly in the interests of increasing productivity and improving standards of living within their respective territories.

ARTICLE XI

1. Nationals of either party residing within the territories of the other party, and nationals and companies of either party engaged in trade or other gainful pursuit or in scientific, educational, religious, or philanthropic activities within the territories of the other party, shall not be subject to the payment of taxes, fees, or charges imposed upon or applied to income, capital, transactions, activities, or any other object, or to requirements with respect to the levy and collection thereof, within the territories of such other party, more burdensome than those borne in like situations by nationals and companies of such other party.

2. With respect to nationals of either party who are neither resident nor engaged in trade or other gainful pursuit within the territories of the other party, and with respect to companies of either party which are not engaged in trade or other gainful pursuit within the territories of the other party, it shall be the aim of such other party to apply in general the principle set forth in paragraph 1 of the present article.

3. Nationals and companies of either party shall in no case be subject, within the territories of the other party, to the payment of taxes, fees, or charges imposed upon or applied to income, capital, transactions, activities, or any other object, or to requirements with respect to the levy and collection thereof, more burdensome than those borne in like situations by nationals, residents, and companies of any third country.

4. In the case of companies and of nonresident nationals of either party engaged in trade or other gainful pursuit, within the territories of the other party, such other party shall not impose or apply any tax, fee, or charge upon any income, capital, or other basis in excess of that reasonably allocable or apportionable to its territories, nor grant deductions and exemptions less than those reasonably allocable or apportionable to its territories. A comparable rule shall apply also in the case of companies organized and operated exclusively for scientific, educational, religious, or philanthropic purposes.

5. Each party reserves the right to: (a) Extend specific tax advantages on the basis of reciprocity; (b) accord special tax advantages by virtue of agreements for the avoidance of double taxation or the mutual protection of revenue; and (c) apply special provisions in allowing, to nonresidents, exemptions of a personal nature in connection with income and inheritance taxes.

ARTICLE XII

1. Nationals and companies of either party shall be accorded national treatment and most-favored-nation treatment by the other party with respect to the assumption of undertakings for, and the making of payments, remittances, and transfers of moneys and financial instruments.

2. It is agreed that no provision of the present treaty shall be applied in such a manner as to alter arrangements applicable to either party by virtue of its membership in the International Monetary Fund.

3. Neither party may, with respect to the other party, in any manner impose exchange restrictions which are unnecessarily detrimental to or arbitrarily discriminate against the claims, investments, transportation, trade, or other interests of nationals and companies of such other party or their competitive position. Should either party impose exchange restrictions with respect to the other party, it will remove them as rapidly as it is able to do so considering its economic condition.

4. The two parties, recognizing that the international movement of investment capital and the returns thereon would be conducive to the full realization of the objectives of the present treaty, are agreed that such movements shall not be unnecessarily hampered. In accordance with this mutually agreed principle, each party undertakes to afford to nationals and companies of the other party reasonable facilities for the withdrawal of funds earned by them as a result of making or maintaining capital investments as well as for the transfer of capital investments. The same principle applies with respect to the compensation refererd to in article V, paragraph 4.

5. The term "exchange restrictions" as used in the present article includes all restrictions, regulations, charges, taxes, fees, and other requirements imposed by either party, which burden or interfere with the assumption of undertakings for, or the making of, payments remittances, or transfers of moneys and financial instruments.

6. All questions arising under the present treaty concerning foreign exchange restrictions will be governed by the provisions of the present article.

ARTICLE XIII

Nationals and companies of either party engaged in business within the territories thereof may operate as commercial travelers either directly or by means of agents or employees within the territories of the other party, in conformity with the applicable laws and regulations. Such commercial travelers shall, upon their entry into and departure from the territories of such other party and during their sojourn therein, be accorded most-favored-nation treatment in respect of the customs and other matters, including, subject to the exceptions in article XI, paragraph 5, taxes and charges applicable to them, their samples, their advertising material and the taking of orders, and regulations governing the exercise of their functions.

ARTICLE XIV

1. Each party shall accord most-favored-nation treatment to products of the other party, from whatever place and by whatever type of carrier arriving, and to products destined for exportation to the territories of such other party, by whatever route and by whatever type of carrier, with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation and exportation.

2. Neither party shall impose restrictions or prohibitions on the importation of any product of the other party, or on the exportation of any product to the territories of the other party, unless the importation of the like product of, or the exportation of the like product to, all third countries is similarly restricted or prohibited.

3. Either party may impose prohibitions or restrictions on sanitary or other customary grounds of a noncommercial nature, or in the interest of preventing deceptive or unfair practices, provided such prohibitions or restrictions do not arbitrarily discriminate against the commerce of the other party.

4. Nationals and companies of either party shall be accorded national treatment and most-favored-nation treatment by the other party with respect to all matters relating to importation and exportation.

5. If at any time a question should arise concerning the application of paragraph 2 of the present article, the two parties shall consult with a view to determining the application thereof. If such consultation, or consultation pursuant to article XXIV, paragraph 5, does not lead to a mutually satisfactory conclusion, either party may give written notice of termination of the present article; and, notwithstanding the provisions of article XXIX, the present article shall terminate 3 months following receipt of such notice by the other party.

6. The provisions of the present article shall not apply to advantages accorded by either party by virtue of a customs union or free-trade area of which it may become a member, so long as it informs the other party of its plans and affords such other party adequate opportunity for consultation.

ARTICLE XV

1. Each party shall promptly publish laws, regulations, and administrative rulings of general application pertaining to rates of duty, taxes, or other charges, to the classification of articles for customs purposes, and to requirements or restrictions on imports and exports or the transfers of payments

therefor, or affecting their sale, distribution, or use; and shall administer such laws, regulations, and rulings in a uniform, impartial, and reasonable manner. As a general practice, new or more burdensome administrative requirements affecting imports shall not be enforced until after public notice thereof.

2. Each party shall maintain an appeals procedure under which nationals and companies of the other party, and importers of products of such other party, shall be able to obtain prompt and impartial review, and correction when warranted, of administrative action relating to customs matters, including the imposition of fines and penalties, confiscations, and rulings on questions of customs classification and valuation by the administrative authorities. Penalties imposed for infractions of the customs and shipping laws and regulations concerning documentation shall be merely nominal in cases resulting from clerical errors or when good faith can be demonstrated.

3. With reference to marking requirements applicable to imported products, each party shall as a general practice: (a) allow required marks of origin to be affixed after importation; (b) not permit markings that result in misrepresenting the true origin of the products; and (c) not apply requirements that entail an expense which is economically prohibitive or that result in seriously damaging the product.

ARTICLE XVI

1. Products of either party shall be accorded, within the territories of the other party, national treatment and most-favored-nation treatment in all matters affecting internal taxation, sale, distribution, storage, and use.

2. Articles produced by nationals and companies of either party within the territories of the other party or by companies of the latter party controlled by such nationals and companies, shall be accorded therein treatment no less favorable than that accorded to like articles of national origin by whatever person or company produced, in all matters affecting exportation, taxation, sale, distribution, storage, and use.

ARTICLE XVII

1. Each party undertakes (a) that enterprises owned or controlled by its Government and that monopolies or agencies granted exclusive or special privileges within its territories, shall make their purchases and sales involving either imports or exports affecting the commerce of the other party solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation, and other conditions of purchase or sale; and (b) that the nationals, companies, and commerce of such other party shall be afforded adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases and sales.

2. Each party shall accord to the nationals, companies, and commerce of the other party fair and equitable treatment, as compared with that accorded to the nationals, companies, and commerce of any third country, with respect to: (a) the governmental purchase of supplies; (b) the awarding of concessions and other government contracts; and (c) the sale of any service sold by the Government or by any monopoly or agency granted exclusive or special privileges.

3. Neither party shall impose any measure of a discriminatory nature that hinders or prevents the importer or exporter of products of either country from obtaining marine insurance on such products in companies of either party.

ARTICLE XVIII

1. The two parties agree that business practices which restrain competition, limit access to markets or foster monopolistic control, and which are engaged in or made effective by one or more private or public commercial enterprises or by combination, agreement, or other arrangement among such enterprises, may have harmful effects upon commerce between their respective territories. Accordingly, each Government agrees upon the request of the other Government to consult with respect to any such practices and to take such measures, not precluded by its legislation, as it deems appropriate with a view to eliminating such harmful effect.

2. No enterprise of either party, including corporations, associations, and government agencies and instrumentalities, which is publicly owned or controlled shall, if it engages in commercial, industrial, shipping, or other business activities within the territories of the other party, claim or enjoy, either for itself or for its property, immunity therein from taxation, suit, execution of judgment, or other liability to which privately owned and controlled enterprises are subject therein.

ARTICLE XIX

1. Vessels under the flag of either party, and carrying the papers required by its law in proof of nationality, shall be deemed to be vessels of that party.

2. So long as both parties follow systems of tonnage measurement which are substantially similar, tonnage certificates issued by either party shall be accepted by the other party, and vessels shall not be subject to new measurements in the ports of such other party.

3. The term "vessels," as used in the present treaty, means all types of vessels, whether privately owned or operated, or publicly owned or operated; but this term does not include vessels of war.

ARTICLE XX

1. Vessels of either party shall have liberty, on equal terms with vessels of the other party and on equal terms with vessels of any third country, to come with their cargoes to all ports, places and waters of such other party open to foreign commerce and navigation. Such vessels and cargoes shall in the ports, places and waters of such other party be accorded in all respects national treatment and most-favored-nation treatment.

2. Vessels of either party shall be accorded national treatment and most-favored-nation treatment with respect to the right to carry all cargo that may be carried by vessel to or from the territories of the other party.

3. Goods carried by vessels under the flag of either party to or from the territories of the other party shall enjoy the same favors as when transported in vessels sailing under the flag of such other party. This applies especially with regard to customs duties and all other fees and charges, to bounties, drawbacks and other privileges of this nature, as well as to the administration of the customs and to transport to and from port by rail and other means of transportation.

4. The coasting trade and inland navigation are excepted from the provisions of the present article. However, the vessels of each party shall be accorded by the other party most-favored-nation treatment with respect to the coasting trade and inland navigation. Moreover, it is understood that vessels of either party shall be permitted to discharge portions of cargoes at any ports, places or waters of the other party open to foreign commerce and navigation, and to proceed with the remaining portions of such cargoes to any other such ports, places or waters, and they shall be permitted to load in like manner in the same voyage outward, at the various ports, places and waters open to foreign commerce and navigation; but a right to engage in the coasting trade or inland navigation may not thereby be claimed.

5. The provisions of the present article shall not apply to fishing vessels.

ARTICLE XXI

If a vessel of either party runs aground or is wrecked on the coasts of the other party, or if it is in distress and must put into a port of the other party, the latter party shall extend to the vessel as well as to the crew, the passengers, the personal property of crew and passengers, and to the cargo of the vessel, the same protection and assistance as would have been extended to a vessel under its own flag in like circumstances; and shall permit the vessel after repairs to proceed with its voyage upon conformity with the laws applicable alike to vessels under its own flag. Articles salvaged from the vessel shall be exempt from all customs duties unless they pass into internal consumption; but articles not entered for consumption may be subject to measures for the protection of the revenue pending their exit from the country.

ARTICLE XXII

1. In all ports of either party the masters of all vessels under the flag of the other party, whose crews have ceased to be fully constituted on account of illness or for any other cause, shall be permitted to engage such seamen as may be necessary for the continuation of the voyage.

2. Nationals of either party who are seamen may be sent to ports of the other party to join national vessels, in care of consular officers, either individually or in groups on the basis of seamen's papers issued in lieu of passports. Likewise, nationals of either party shall be permitted to travel through the territory of the other party on their way to join vessels or to be repatriated on the basis of seamen's papers used in lieu of passports.

ARTICLE XXIII

1. There shall be freedom of transit through the territories of each party by the routes most convenient for international transit:

(a) for nationals of the other party, together with their baggage;

(b) for other persons, together with their baggage, en route to or from the territories of such other party; and

(c) for products of any origin en route to or from the territories of such other party, with or without transshipment, warehousing, breaking bulk or change in the mode of transport.

2. The persons and things referred to in paragraph 1 of the present article shall be exempt from customs duties, from duties imposed by reason of transit, and from unreasonable charges and requirements; and shall be free from unnecessary delays and restrictions.

3. The provisions of the present article shall be subject to the right of either party to apply measures referred to in article II, paragraph 5, and nondiscriminatory regulations necessary to prevent abuse of the transit privilege.

ARTICLE XXIV

1. The present treaty shall not preclude the application by either party of measures:

(a) regulating the importation or exportation of gold, silver, platinum, and the alloys thereof;

(b) relating to fissionable materials, to radioactive byproducts of the utilization or processing thereof, or to materials that are the source of fissionable materials;

(c) regulating the production of or traffic in arms, ammunition, and implements of war, or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment;

(d) necessary to fulfill its obligations for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests;

(e) denying to any company in the ownership or direction of which nationals of any third country or countries have directly or indirectly the controlling interest, the advantages of the present treaty, except with respect to recognition of juridical status and with respect to access to courts; and

(f) reserving rights and privileges with respect to its national fisheries and marine hunting, and the landing in its ports of fish or fish products or the catch or products of marine hunting taken on board the transporting vessel at sea.

2. The most-favored-nation provisions of the present treaty relating to the treatment of goods shall not apply to advantages accorded by the United States of America or its Territories and possessions to one another, to the Republic of Cuba, to the Republic of the Philippines, to the Trust Territory of the Pacific Islands, or to the Panama Canal Zone.

3. The most-favored-nation treatment provisions of the present treaty shall not apply to advantages accorded by either party to adjacent countries in order to facilitate frontier traffic.

4. The provisions of the present treaty relating to the treatment of goods shall not preclude action by either party which is required or permitted by the General Agreements on Tariffs and Trade during such time as such party is a contracting party to the general agreement. Similarly, the most-favored-nation provisions of the present treaty shall not apply to special advantages accorded by virtue of the aforesaid agreement.

5. If at any time the arrangements provided in the first sentence of paragraph 4 of the present article should cease to be applicable, the provisions of article XIV, paragraph 2, shall not apply for a period of 12 months to restrictions in effect at that time. During this period the two parties will, upon the request of either of them, consult with a view to determining whether, in the light of circumstances then prevailing, any further adjustment may be necessary.

6. The present treaty does not affect provisions of statute under which aliens may be permitted entry into the territories of a party subject to express conditions regarding their engaging in gainful occupations therein.

ARTICLE XXV

1. The term "national treatment" means treatment accorded within the territories of a party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of such party.

2. National treatment is accorded by the Federal Republic of Germany in the provisions of the present treaty in consideration of the national treatment accorded by the United States of America to the nationals, companies, products, vessels, or other objects, of the Federal Republic of Germany, with respect to the same subject matter.

3. National treatment accorded under the provisions of the present treaty to companies of the Federal Republic of Germany shall, in any State, Territory, or possession of the United States of America, be the treatment accorded therein to companies created or organized in other States, Territories, and possessions of the United States of America.

4. The term "most-favored-nation treatment" means treatment accorded within the territories of a party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels, or other objects, as the case may be, of any third country.

5. As used in the present treaty, the term "companies" means corporations, partnerships, companies, and other associations, whether or not with limited liability and whether or not for pecuniary profit. Companies constituted under the applicable laws and regulations within the territories of either party shall be deemed companies thereof and shall have their juridical status recognized within the territories of the other party.

6. Without prejudice to other methods of establishing nationality, a person in possession of a valid passport issued by the competent authorities of either party, or a valid identity document named in the protocol, shall be considered a national of that party.

ARTICLE XXVI

1. The territories to which the present treaty extends shall comprise all areas of land and water under the sovereignty or authority of each party, other than the Panama Canal Zone and the Trust Territory of the Pacific Islands.

2. The present treaty shall also apply from the date specified in article XXIX, paragraph 2, to Land Berlin which for the purposes of the present treaty comprises those areas over which the Berlin senate exercises jurisdiction.

3. It is a condition to the application of the present treaty to Land Berlin, in accordance with the preceding paragraph, that the Government of the Federal Republic of Germany shall previously have furnished to the Government of the United States of America a notification that all legal procedures in Berlin necessary for the application of the present treaty therein have been complied with.

ARTICLE XXVII

1. Each party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as the other party may make with respect to any matter affecting the operation of the present treaty.

2. Any dispute between the parties as to the interpretation or the application of the present treaty which the parties do not satisfactorily adjust by diplomacy or some other agreed means shall be submitted to arbitration or, upon agreement of the parties, to the International Court of Justice.

ARTICLE XXVIII

The present treaty shall replace and terminate provisions in force in articles I through V, VII through XVI, and XXIX through XXXII, of the treaty of friendship, commerce, and consular rights between the United States of America and Germany, signed at Washington December 8, 1923, as amended by an exchange of notes dated March 19 and May 21, 1925, and the agreement signed at Washington June 3, 1935, and as applied by the agreement of June 3, 1953, article VI having terminated on June 2, 1954. Articles XVII through XXVIII of the said treaty, as amended by article II of the agreement of June 3, 1953, shall continue in force between the United States of America and the Federal Republic of Germany, with territorial application to the same extent as that provided in article XXVI of the present treaty, until replaced by a consular convention between the two parties or until 6 months after either party shall have given to the other party a written notice of termination of the said articles.

ARTICLE XXIX

1. The present treaty shall be ratified, and the ratifications thereof shall be exchanged at Bonn as soon as possible.

2. The present treaty shall enter into force 1 month after the day of exchange of ratifications. It shall remain in force for 10 years and shall continue in force thereafter until terminated as provided herein.

3. Either party may, by giving 1 year's written notice to the other party, terminate the present treaty at the end of the initial 10-year period or at any time thereafter.

In witness whereof the respective Plenipotentiaries have signed the present treaty and have affixed hereunto their seals.

Done in duplicate, in the English and German languages, both equally authentic, at Washington this 29th day of October 1954.

For the United States of America:

[SEAL] JOHN FOSTER DULLES.

For the Federal Republic of Germany:

[SEAL] ADENAUER.

PROTOCOL

At the time of the signing of the Treaty of Friendship, Commerce, and Navigation between the United States of America and the Federal Republic of Germany, the undersigned Plenipotentiaries, duly authorized, have further agreed on the following provisions, which shall be considered integral parts of the aforesaid treaty:

1. The spouse and unmarried minor children of a person permitted entry under the provisions of the second sentence of article II, paragraph 1, shall also be permitted entry if accompanying him or following to join him.

2. The provisions of article II, paragraph 1 (b), shall be construed as extending to nationals of either party seeking to enter the territories of the other party solely for the purpose of developing and directing the operations of an enterprise in the territories of such other party in which their employer has invested or is actively in the process of investing a substantial amount of capital: *Provided*, That such employer is a national or company of the same nationality as the applicant and that the applicant is employed by such national or company in a responsible capacity.

3. The term "public health" in article II, paragraph 5, and the term "sanitary grounds" in article XIV, paragraph 3, comprise the protection of human, animal, and plant life and health.

4. The provisions of article IV, paragraph 2, refer only to laws or regulations which either are national laws or regulations or are based in whole or in part on requirements of national laws or regulations.

5. The provisions of article V, paragraph 4, shall apply to the property taken in the territories of either party in which nationals or companies of the other party have a direct or indirect interest.

6. With reference to article VI, paragraph 1, nationals and companies of either party appearing as plaintiff or intervening party before the courts of the other party shall be exempt from obligation to post security for costs in such instances as nationals or companies of the other party would be exempt; exemption, however, is only granted if:

(a) the nationals have their permanent residence or the companies their establishment (main or branch), or

(b) the nationals or the companies have sufficient real property to cover costs,

in the territory of that party before the courts of which the suit is pending.

7. With reference to article VI, paragraph 1, nationals of either party shall be accorded national treatment within the territories of the other party:

(a) With respect to suits in forma pauperis, in proceedings in the Federal courts of the United States of America;

(b) With respect to the pauper's right (Armenrecht) in proceedings before the courts of the Federal Republic of Germany, in types of cases which in the United States of America would fall within the Federal jurisdiction or could be brought before Federal courts.

8. With reference to article VII, paragraph 1, a party may apply regulations under which alien employees within its territories are required to have employment permits; but,

in keeping with the objectives of that paragraph, such regulations shall be administered in a liberal fashion as to nationals of the other Party. Furthermore, it is understood that legal provisions which reserve to nationals of the country the practice of state licensed professions or require state examinations and licenses and local residence are not precluded by the terms of that paragraph.

9. The provisions of article VII do not obligate either party to permit nationals and companies of the other party to carry on businesses in its territories without fulfilling the requirements which are generally applicable by law.

10. The provisions of article VII, paragraph 1, do not affect the right of either party, in accordance with the agreements and objectives of the present treaty, to apply special regulations to foreign insurance companies in order to insure that such companies maintain the degree of responsibility and solvency required of similar domestic companies, but these regulations may not in their effect result in discrimination in substance against such foreign companies.

11. The term "communications" in article VII, paragraph 2, includes radio and television, among other means of communication.

12. With reference to article VII, paragraph 4, either party may require that the granting of rights to engage in mining on the public domain shall be dependent on reciprocity.

13. The provisions of articles VII, paragraph 1, and XIII shall not extend to the activity of peddlers and itinerant artisans in the exercise of their occupations as such.

14. Article XII, paragraph 1, is not concerned with rules regarding currencies as such and therefore does not preclude differential treatment of different currencies. It is only concerned with the rights of nationals and companies under whatever foreign exchange regulations may be in effect and is only designed to preclude discriminations against nationals and companies on a nationality basis in the application of the foreign exchange regulations.

15. The term "reasonable" in article XII, paragraph 4, allows each party to apply such measures as are required to fulfill its legal obligations, to secure goods and services essential to the health and welfare of its people, and to give consideration to special needs for other exchange transactions.

16. Either party may, for the protection of its currency and in the interest of servicing investments and providing for their repatriation, make the importation of capital dependent on a license.

17. If more than one rate of exchange exists, the rate applicable to withdrawals under article XII, paragraph 4, shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved, an effective rate which, inclusive of any taxes or charges on exchange transfers, is just and reasonable.

18. In matters affecting internal taxation the national treatment provision of article XVI, paragraph 1, shall not apply within the territories of either party to special treatment of products made in whole or in part of materials grown or produced within the territories of such party. However, this provision shall apply only where such special treatment exists on the date of entry into force of the present treaty. Any enactment or amendment made subsequent to that date shall not alter such special treatment in a manner detrimental to the interests of the other party.

19. The provisions of article XVII, paragraph 2 (b) and (c), and of article XX, paragraph 2, shall not apply to postal services of either party.

20. With reference to article XX, the term "cargoes" in the meaning of the present treaty includes both goods and passengers.

21. The provisions of article XXIV, paragraph 2, shall apply in the case of Puerto Rico regardless of any change that may take place in its political status.

22. Identity documents within the meaning of article XXV, paragraph 6, shall include, inter alia,

(a) for the Federal Republic of Germany: The certificate of residence (Heimatschein) and the seaman's book (Seefahrtsbuch) issued by the authorities of the Federal Republic of Germany, if the bearer is designated therein as a German national;

(b) for the United States of America: A card or certificate of identity and registration, or a United States merchant mariner's document, if the bearer is designated therein as a national of the United States.

23. Territories under the authority of a party solely as a military base or by reason of temporary military occupation shall not be considered territories of that party within the meaning of article XXVI, paragraph 1.

24. It is agreed that after the Federal Republic of Germany becomes a member of the United Nations or a party to the Statute of the International Court of Justice, disputes to which article XXVII, paragraph 2, refers, and which are not resolved by diplomacy or some other agreed means, shall be submitted to the International Court of Justice.

In witness whereof the respective Plenipotentiaries have signed this Protocol and have affixed hereunto their seals.

Done in duplicate, in the English and German languages, both equally authentic, at Washington this 29th day of October 1954.

For the United States of America:

[SEAL] JOHN FOSTER DULLES.

For the Federal Republic of Germany:

[SEAL] ADENAUER.

DEPARTMENT OF STATE,
Washington, October 29, 1954.

His Excellency Dr. KONRAD ADENAUER,
Chancellor of the Federal Republic of Germany.

EXCELLENCY: I have the honor to refer to the treaty of friendship, commerce and navigation between the United States of America and the Federal Republic of Germany, signed today, and to set forth the further agreement as follows:

The present special position of the United States of America and its personnel in Germany shall not be affected by the aforesaid treaty.

The aforesaid treaty shall not modify or derogate from the provisions of the conventions signed at Bonn on May 26, 1952 or such agreement or agreements as may modify or replace them.

Accept, Excellency, the renewed assurances of my highest consideration.

JOHN FOSTER DULLES,
Secretary of State of the United States of America.

[Translation]

THE FEDERAL CHANCELLOR AND FEDERAL MINISTER OF FOREIGN AFFAIRS,
Washington, October 29, 1954.

His Excellency JOHN FOSTER DULLES,
Secretary of State of the United States of America.

MR. SECRETARY: I have the honor to refer to the treaty of friendship, commerce and navigation between the United States of America and the Federal Republic of Germany, signed today, and to set forth the further agreement as follows:

The present special position of the United States of America and its personnel in Germany shall not be affected by the aforesaid treaty.

The aforesaid treaty shall not modify or derogate from the provisions of the conventions signed at Bonn on May 26, 1952 or such agreement or agreements as may modify or replace them.

Accept, Mr. Secretary of State, the renewed assurance of my most distinguished consideration.

ADENAUER.

DEPARTMENT OF STATE,
Washington, October 29, 1954.

His Excellency Dr. KONRAD ADENAUER,
Chancellor of the Federal Republic of Germany.

EXCELLENCY: During the discussion of article XV, paragraph 1, of the treaty of friendship, commerce, and navigation between the United States of America and the Federal Republic of Germany, signed today, the representatives of the two governments exchanged views as to possible means available for affording protection to traders against sudden imposition of administrative measures adversely affecting their ability to plan and conduct their international business with reasonable assurance.

The representatives of the United States of America pointed out that under United States procedure new administrative measures affecting imports become effective, as a general practice, only upon the expiration of a transitory period of not less than 30 days after publication thereof. Types of administrative measures falling under this procedure include, for example, the imposition or reduction of quotas, the increase of duties as a consequence of escape clause action or of a change in a uniform and established classification, and the withdrawal of trade agreement concessions. They also explained that under section 16.10a of the customs regulations a procedure exists whereby importers and foreign exporters may apply to the Commissioner of Customs for decisions of a binding character regarding the customs classification of particular articles intended for importation.

The German representatives stated that under German law and procedure importers and foreign exporters may, in advance of shipment, obtain binding customs information about tariff rates and expressly specified commodities valid as against any modification or cancellation, subject to the regulations of the Allgemeine Zollordnung, paragraph 86, subparagraph 3, for a period of 3 months. Moreover, paragraph 131 of the Reichsabgabenordnung affords the possibility for importers to apply for suspension or reduction of the customs duties payable by them, if a customs tariff modification affects them unfairly in individual cases. They further stated that upon promulgating new import restrictions or intensifying existing import restrictions the competent German Government agencies will take into account in their administrative practices, as far as possible, the recommendations accepted by the contracting parties to the General Agreement on Tariffs and Trade, that is, the Standard Practices for Import and Export Restrictions and Exchange Controls.

The two governments are agreed that neither has the intention of changing existing administrative procedures so as to provide less favorable facilities and treatment; and that, moreover, further progress should be sought on a broad international basis in the development of measures designed to increase the certainty with which traders can plan their international business as against administrative actions affecting the international movement of products.

Accept, Excellency, the renewed assurances of my highest consideration.

JOHN FOSTER DULLES,
Secretary of State of the United States of America.

[Translation]

THE FEDERAL CHANCELLOR AND FEDERAL MINISTER OF FOREIGN AFFAIRS,
Washington, October 29, 1954.

His Excellency JOHN FOSTER DULLES,
Secretary of State of the United States of America.

MR. SECRETARY: During the discussion of article XV, paragraph 1, of the treaty of friendship, commerce and navigation between the United States of America and the Federal Republic of Germany, signed today, the representatives of the two Governments exchanged views as to the possible means available for affording protection to traders against sudden imposition of administrative measures adversely affecting their ability to plan and conduct their international business with reasonable assurance.

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The two Governments are agreed that neither has the intention of changing existing administrative procedures so as to provide less favorable facilities and treatment; and that, moreover, further progress should be sought on a broad international basis in the development of measures designed to increase the certainty with which traders can plan their international business as against administrative actions affecting the international movement of products.

Accept, Mr. Secretary of State, the renewed assurance of my most distinguished consideration.

ADENAUER.

Mr. GREEN. Mr. President, on July 19, the Committee on Foreign Relations favorably reported to the Senate the Treaty of Friendship, Commerce, and Navigation with the Federal Republic of Germany. This is the 11th such postwar treaty that has been negotiated. Each of the preceding treaties has been approved by the Senate.

The treaty with Germany now before the Senate is substantially similar to a commercial treaty with Japan which was discussed and approved in 1953. The few respects in which this treaty differs from the earlier one with Japan are set forth in the committee report, which I submitted last July 21.

As Members of the Senate know, treaties of this type have been negotiated by the United States since the beginning of its history. They are designed to assure fair and reasonable treatment for Americans who travel abroad for personal or business reasons. The treaties impose mutual obligations on the parties to give citizens of each country, while in the country of the other party, national and most-favored-nation treatment. They serve to prevent discriminatory treatment with respect to trade and shipping and the protection of persons and their property.

Congress has on numerous occasions encouraged the Department of State to conclude treaties of this type to the end that opportunities for American investment abroad may be promoted and the legitimate interests of American nationals properly protected.

Mr. President, it is especially appropriate at this time that we should approve this treaty with the Federal Republic of Germany. It will be recalled that promptly after the conclusion of peace treaties with Italy and Japan, we approved commercial treaties with those countries. Now that Germany has been restored to a full and free status in the community of nations, this treaty has special political and economic significance. It is another step in the reestablishment of normal relationships with Germany. It will help weld Western Germany firmly into the society of free nations which must remain politically and economically strong.

It is also appropriate that we should look with special approval on the pending treaty with the Federal Republic because the first of the modern series of commercial treaties was negotiated with Germany in 1923. That treaty served as the model for many which came thereafter. The operations of the German treaty of 1923 were interrupted by the war but, with a few exceptions, they were reinstated in 1953, to remain effective until the treaty now before us could be concluded.

During consideration of the pending treaty special consideration was given to several matters which have concerned the Senate in the past. I refer first to provisions in past treaties to which the Senate has taken exception, namely, language regarding the practice of certain professions which might have required changes in some State laws. There is no such provision in this treaty.

Second, I refer to the questions which have arisen from time to time as to whether treaties of this type may operate to impair the constitutional rights of American citizens or to alter established Federal-State relations or enlarge Federal powers at the expense of the States. The committee was assured that the pending treaty does not impair such rights, alter established Federal-State relationships, or enlarge Federal powers at the expense of the States.

Having received no objections to the pending treaty and in light of the rapid and healthy economic and political developments that are taking place in the Federal Republic, I hope that the Senate will give its unanimous approval to the treaty.

The PRESIDING OFFICER. Without objection, the pending treaty will be considered as having passed through its various parliamentary stages up to the point of consideration of the resolution of ratification, which will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive E, 84th Congress, 1st session, a Treaty of Friendship, Commerce, and Navigation Between the United States of America and the Federal Republic of Germany, together with a protocol and two exchanges of notes relating thereto, signed at Washington on October 29, 1954.

Mr. AIKEN. Mr. President, the Senate Committee on Foreign Relations considered the treaty very carefully and unanimously agreed that it would be to the interest of both the United States and of the Federal Republic of Germany as well to have it ratified at an early date. We believe it will be very helpful in improving commerce between the two nations and in initiating nondiscriminatory treatment for persons and property of their respective nationals. I wholeheartedly endorse approval of the treaty at this time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. 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 question is, Will the Senate advise and consent to the resolution of ratification?

Mr. HUMPHREY and Mr. KNOWLAND asked for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Indiana [Mr. JENNER] and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] is detained in the Senate Office Building on official business due to the fact that by order of the Senate Committee on Investigations he and the Senator from Arkansas [Mr. MCCLELLAN] are on an appointment long distance telephone call taking testimony from officials of the Douglas Aircraft Co. of California. If the Senator from South Dakota [Mr. MUNDT] were able to be present he would vote "yea" in favor of the ratification of the German Treaty.

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official committee business.

The Senator from Connecticut [Mr. BUSH] is detained on official business. If present and voting the Senator from Connecticut [Mr. BUSH], the Senator from Wyoming [Mr. BARRETT], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea".

The yeas and nays resulted—yeas 83, nays 0, as follows:

YEAS—83

Aiken	Flanders	Millikin
Allott	George	Monroney
Anderson	Goldwater	Morse
Barkley	Green	Murray
Beall	Hayden	Neely
Bender	Hennings	Neuberger
Bennett	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Holland	Potter
Bridges	Hruska	Purtell
Butler	Humphrey	Robertson
Byrd	Ives	Russell
Capehart	Jackson	Saltonstall
Carlson	Johnston, S. C.	Scott
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kerr	Smith, Maine
Chavez	Kilgore	Smith, N. J.
Clements	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Daniel	Lehman	Thurmond
Dirksen	Long	Thye
Douglas	Magnuson	Watkins
Duff	Malone	Welker
Dworshak	Mansfield	Wiley
Eastland	Martin, Iowa	Williams
Ellender	Martin, Pa.	Young
Ervin	McNamara	

NAYS—0

NOT VOTING—13

Barrett	Jenner	Mundt
Bush	Johnson, Tex.	O'Mahoney
Frear	Kennedy	Schoeppel
Fulbright	McCarthy	
Gore	McClellan	

The PRESIDING OFFICER (Mr. SCOTT in the chair). Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to.

Mr. CLEMENTS. Mr. President, I ask that the Senate now proceed to the consideration of nominations on the Executive Calendar, beginning with the Diplomatic Service.

The PRESIDING OFFICER. The clerk will proceed to state the nominations on the Executive Calendar.

DIPLOMATIC SERVICE

The legislative clerk read the nomination of Julian F. Harrington to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles W. Yost to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Laos.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

MINT OF UNITED STATES AT SAN FRANCISCO, CALIF.

The legislative clerk read the nomination of Arthur C. Carmichael to be Superintendent of the Mint of the United States at San Francisco, Calif.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Craig S. Atkins to be judge of the Tax Court of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CLEMENTS. I ask that the President be immediately notified of all executive action taken by the Senate today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. CLEMENTS. I move that the Senate resume the consideration of legislative business.

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

ORDER FOR CALL OF THE CALENDAR ON THURSDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that at the conclusion of routine business tomorrow, there be a call of the calendar from the beginning, for the consideration of measures to which there is no objection.

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

AUTHORIZATION TO FILE REPORTS AND RECEIVE MESSAGES

Mr. CLEMENTS. Mr. President, I ask unanimous consent that during the adjournment of the Senate following today's session, the several standing committees be authorized to file reports, and that the Secretary of the Senate be authorized to receive messages from the House.

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

AUTHORIZATION FOR COMMODITY CREDIT CORPORATION TO PROCESS FOOD COMMODITIES FOR DONATION UNDER CERTAIN ACTS—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
JOHN J. WILLIAMS,
Managers on the Part of the Senate.

HAROLD D. COOLEY,
GEORGE M. GRANT,
W. PAT JENNINGS,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,
Managers on the Part of the House.

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

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

Mr. CLEMENTS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. CLEMENTS. May I inquire from the Senator if this is the measure dealing with surplus commodities?

Mr. HOLLAND. It is. It is the measure to make flour and meal available in certain distress areas. I assure the Senator that the conference report can be disposed of in a few moments.

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

Mr. HOLLAND. I yield.

Mr. KNOWLAND. Will the Senator make a brief explanation as to what changes were made in conference in the bill as it passed the Senate?

Mr. HOLLAND. I am glad to advise the Senate that the conference report is only a formality because the House agreed to recede from its position and to accept the bill as passed by the Senate. The report so shows.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. CLEMENTS. Mr. President, I should like to commend the Senator from Florida [Mr. HOLLAND], who was chairman of the conference, and also chairman of the subcommittee which handled this measure in the Committee on Agriculture and Forestry. He has produced a fine bill. The proof of that fact is the readiness with which the House accepted it when it went to conference.

The Senator from Florida deserves high commendation for the understanding way in which he approached the problem of making corn and wheat, in the processed form of meal and flour, available to those in distressed areas where the distribution will be made and to whom they mean so much.

THE 96TH INFANTRY RESERVE DIVISION

Mr. MANSFIELD. Mr. President, I have just received a letter from C. J. Hauck, Jr., brigadier general, Chief of Legislative Liaison, to the effect that the 96th Reserve Division, composed of personnel from the States of Montana, Idaho, Utah, and Arizona, is being given an opportunity once again to be considered for retention in the Active Reserve.

I hold in my hand a letter from General Hauck, to which is attached a copy of a letter written to the Senator from Massachusetts [Mr. SALTONSTALL] by Franklin L. Orth, Deputy Assistant Secretary of the Army, in which the announcement is made that the Department of the Army has decided to hold in abeyance action redesignating and reorganizing the 96th Infantry Division, USAR.

The pertinent paragraph of the letter reads as follows:

> It has been decided to hold in abeyance action to redesignate and reorganize the 96th Infantry Division as a Maneuver Area Command pending a thorough study and evaluation of the effects of the legislation upon the USAR divisions in the Sixth Army Area, and a reexamination by the Sixth Army commander of his decision based upon this evaluation. Until these studies have been accomplished, the 96th Infantry Division will retain its current organizational structure.

Mr. President, that is good news indeed for the 3,000 members of the 96th Division. I am sure it will serve to boost their morale. I know I speak in behalf of the Senators from the States of Arizona, Idaho, Utah, and Montana, when I say to General Hauck and to Assistant Secretary Orth that we are happy and delighted that the decision which would have broken up the 96th Infantry Division is being held in abeyance, and that we have confidence that, on the basis of a reevaluation, this outstanding infantry division will retain its component units.

Mr. President, I ask unanimous consent that the two letters be made a part of my remarks.

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

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D. C., July 27, 1955.

Hon. MICHAEL J. MANSFIELD,
United States Senate.

DEAR SENATOR MANSFIELD: Attached for your information is a copy of a letter from Mr. Franklin L. Orth, Deputy Assistant Secretary of the Army for Manpower and Reserve Forces, which announces the decision of the Department of the Army to hold in abeyance action to redesignate and reorganize the 96th Infantry Division, USAR.

Sincerely,

HARRY J. WHEATON,
Colonel, GS,
Deputy Chief of Legislative Liaison.
C. J. HAUCK, Jr.,
Brigadier General, GS,
Chief of Legislative Liaison.

JULY 27, 1955.

Hon. LEVERETT SALTONSTALL,
United States Senate.

DEAR SENATOR SALTONSTALL: On July 15 I wrote to you in accordance with your request and furnished information pertaining to the proposed change in status of the 96th Infantry Division, USAR. Since writing to you, further consideration has been given to the status of the USAR divisions in the Sixth Army area.

It has been decided to hold in abeyance action to redesignate and reorganize the 96th Infantry Division as a maneuver area command pending a thorough study and evaluation of the effects of the legislation upon the USAR divisions in the Sixth Army area and a reexamination by the Sixth Army commander of his decision based upon this evaluation. Until these studies have been accomplished, the 96th Infantry Division will retain its current organizational structure.

May I again express the appreciation of the Department of the Army for your interest in the Reserve program.

Most sincerely yours,

FRANKLIN L. ORTH,
Deputy Assistant Secretary of the Army.

VISIT TO THE SENATE BY DISTINGUISHED VISITORS FROM AUSTRALIA

Mr. ANDERSON. Mr. President, approximately a year ago a delegation from the Joint Committee on Atomic Energy visited various parts of the world, and particularly Australia. The able Senator from Ohio [Mr. BRICKER] was a member of that group and enjoyed the hospitality of the Australian people. Today at a luncheon we tried to express our joy that some distinguished visitors from Australia are now in the United States.

I should like to present to the Senate Mr. Howard Beale, a Member of Parliament and the Minister of Supply for the Government of Australia; our old friend, Sir Percy Spender, the Australian Ambassador to the United States; and Sir John Stevens, Chairman of the Australian Atomic Energy Commission.

[Great applause, Senators rising.]

Mr. President, I desire to say that the relationship between our Joint Committee on Atomic Energy and the Minister of Supply for the Government of Australia, under whom the Atomic Commission of Australia operates, has been cordial at all times, and we are very happy to welcome these gentlemen and to express our appreciation of the courtesies which were shown to the members of our committee when they visited Australia. I am glad to have the opportunity to present them to the Senate.

Mr. BRICKER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield to the Senator from Ohio.

Mr. BRICKER. Mr. President, I wish to join with the Senator from New Mexico in a word of welcome and of appreciation to the three distinguished representatives of Australia who have come into our midst. When we visited Australia they were most hospitable. We appreciate the fine work they are doing in the field of atomic energy. We hope they will enjoy their stay in Washington, and will come here again.

Mr. MANSFIELD. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. MANSFIELD. Mr. President, I should like to join with the senior Senator from New Mexico, chairman of the Joint Committee on Atomic Energy, and the Senator from Ohio [Mr. BRICKER] in welcoming to this body this afternoon these distinguished men from "down under." We, of course, know the Ambassador quite well. He is quite a popular fellow in this city. We are happy to have an opportunity to meet these visitors from Australia with whom members of our own Joint Committee on Atomic Energy have had contact.

POLICY AND PROCEDURE IN CONNECTION WITH CONSTRUCTION CONTRACTS

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 622, S. 1644.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1644) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

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

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

Mr. KILGORE. Mr. President, on April 1, 1955, for myself and 16 colleagues from both sides of the aisle, I introduced the Federal construction contract bill, S. 1644. Joining with me as cosponsors of this measure were the Senator from Ohio [Mr. BENDER], the Senator from Maryland [Mr. BUTLER], the Senator from Idaho [Mr. DWORSHAK], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. JACKSON], the Senator from North Dakota [Mr. LANGER], the Senator from New York [Mr. LEHMAN], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Michigan [Mr. MCNAMARA], the Senator from Washington

[Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from Alabama [Mr. SPARKMAN], the Senator from North Dakota [Mr. YOUNG], the Senator from California [Mr. KUCHEL], and the Senator from Oregon [Mr. NEUBERGER].

Mr. President, in the drafting of this proposed legislation we took into consideration the extensive studies on the subject of Federal construction-contract procedures made by the Senate Judiciary Committee during the 82d and 83d Congresses. Every effort was made to profit by the previous studies and to keep the bill simple, clear, and concise, and, at the same time, properly protect both the Federal Government and the contracting industry from the effect of abuses which have crept into Federal construction contracting in past years.

A subcommittee of the Committee on the Judiciary held hearings on this bill on May 12 and 18, 1955. Witnesses expressing all points of view were heard, including representatives of the National Electrical Contractors' Association, the National Association of Plumbing Contractors, the Associated General Contractors of America, the National Contractors' Association, and witnesses from interested Government departments. The bill was reported favorably to the Senate by unanimous vote of the Committee on the Judiciary on June 21, 1955.

This bill, as amended by the committee, would prescribe policy, improve existing procedure and practices in connection with the letting of lump-sum Federal construction contracts, and place the awarding of such contracts on a more efficient basis.

This would be accomplished by establishing procedures for Federal agencies to follow in awarding construction contracts in line with the practices followed by prudent private owners. Prudent private owners require their prime contractors to submit the names of their mechanical specialty contractors, if any, as a part of the prime bid in order to assure themselves that there is active competition for the mechanical subcontracts and that the price to them reflects the final low price for the mechanical specialty work which makes up a large part of the total cost.

The bill is also designed to eliminate the unfair trade practices of bid shopping and bid peddling in connection with Federal construction contracts. This will provide assurance to the mechanical specialty contractors that their bids will not be misused and, accordingly, give the Government the benefit of a full range of mechanical specialty bids and of greater competition in this field.

The bill simply provides that the prime contractor on Federal lump-sum construction shall state in his bid the names of the mechanical-specialty contractors, if any, that he intends to engage to accomplish the mechanical-specialty work.

In the event of default of the mechanical-specialty contractor named, the prime contractor may have the work done by a substitute or different mechanical-specialty contractor. There are no restrictions, in such event, on whom he may engage as a substitute.

Regardless of default by the mechanical-specialty contractor originally named, the prime contractor may engage a substitute or different mechanical-specialty contractor, providing the Government, in writing, permits such substitution.

Provisions of the bill are not applicable to contracts to be performed outside of the United States and those of $100,000 or less or in cases where the head of the contracting executive agency determines that public exigency warrants waiver.

The bill expressly provides that it shall create no cause of action by a mechanical-specialty contractor against the Government; that acceptance by the Government of a bid with a mechanical-specialty contractor named therein or permitting or denying the substitution of any mechanical-specialty contractor, shall not be deemed approval of such mechanical-specialty contractor named or substituted or relieve the prime contractor of any responsibility for performance of the contract; and that executive agencies are not thereby prevented from making any other conditions with respect to any subcontractors to be engaged by the prime contractor.

The committee was advised during public hearings that a large percentage of mechanical-specialty subcontractors do not submit subbids on Federal construction, due to the prevalence of bid shopping on such projects. Thus, under present bidding procedures, the price the Government gets is not only too high, because it does not reflect the final price for mechanical-specialty work, but also because of the thinness of competition.

Failure of the Government, the largest single purchaser of construction in the United States, to adopt procedures to secure active competition and the lowest possible price for the construction it purchases is in marked contrast with procedures followed by prudent private industry.

In order to obtain the benefit of the experience of large buyers of private construction, the committee queried a number of the largest private purchasers of construction in the United States, asking what procedures each follows in letting lump-sum construction contracts. The replies received disclosed that none of these major private companies used the system of construction contracting that the Federal Government continues to use under existing statutes. The largest number of these companies use the system prescribed by S. 1644. In fact, most use either this system or a parallel system to accomplish the same result, namely, lower construction cost for the owner.

It is significant that major private industrial concerns such as Ford, du Pont, General Electric, Dow Chemical, Republic Aviation, Budd, Westinghouse, and Monsanto, and many others, in their own self-interests, follow a subcontracting listing procedure substantially the same as the system prescribed in this bill.

The hearings also disclosed that a number of States require separate contracts for mechanical specialty work and that others follow a subcontractor listing procedure substantially similar to that provided in the proposed legislation. Such States as North Carolina, Arkansas, Wisconsin, Kansas, and Ohio require mandatory separation of construction contracts into separate electrical, plumbing, heating, and general contracts. The State of Massachusetts awards one contract on the basis of separate direct bids. Statutes of the States of California and Idaho require prime contractors to list their mechanical specialty contractors in their general bids. These statutes appear to be operating effectively, to the economic benefit of each State and to the satisfaction of substantially all of the construction industry in each State.

The committee is of the opinion that the procedures prescribed by the proposed legislation will be equally as effective as separate contract bidding in procuring construction services economically, and will be more elastic and retain for the Government all benefits of centralized control and responsibility of one prime contractor and will not involve the administrative difficulties inherent in separate contract bidding. The committee further believes that the proposed legislation will improve the contracting procedures of the Federal Government in letting lump-sum construction and hence enable the Federal Government to obtain superior workmanship and better materials for each tax dollar expended and obtain these benefits for less tax dollars. Accordingly, the committee recommends favorable consideration of S. 1644, as amended.

Mr. President, the committee learned from its studies that in Massachusetts and other States there was on the books legislation with reference to their State construction contracts similar to or even more stringent than the bill now under consideration. In each case we discovered that compliance with such laws resulted in better work for the State.

Here in the bill under consideration; if the prime contractor changes subcontractors, he must notify the Government, and the Government must permit the new contractor substituted. But there are no strings attached. The contractor is not asked to submit figures, or to do anything else than keep the department aware of what is going on.

The bill, as I have said, is less stringent than the practice followed by private companies in private contracting, and is less stringent than the laws of the States having listing statutes.

Some of the States break a general contract down and accept direct bids from the subcontractors.

The committee amended the bill as it was originally introduced, so that the approval of a subcontractor does not in any way relieve the general contractor of his responsibility, because both the general contractor and the subcontractor have to be approved, and the general contractor is still bound by his contract to perform the work.

Furthermore, subcontractors will be encouraged to bid, thereby affording the Government a higher degree of competition, and, incidentally, not only better workmanship, but also lower costs on Government contracts.

The bill is in no sense of the word designed to interfere with business; but

Congress is in effect a board of directors of the United States, which is one of the largest contractors in the world. We certainly have the right to establish the rules under which the Government agencies shall operate. For that reason, the committee urges the passage of the bill.

One of the main purposes of the bill is to obtain better prices, better workmanship, and greater protection for honest contractors.

Mr. President, it has been discovered that the bill as it came from the Printing Office contains one typographical error. I offer an amendment on page 3, line 8, to strike out "refused" and insert in lieu thereof "refuse." Evidently the "d" was added to the word when the type was being set.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from West Virginia.

The CHIEF CLERK. On page 3, line 8, it is proposed to strike out "refused" and insert in lieu thereof "refuse."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MORSE. Mr. President, I wish to commend the Senator from West Virginia [Mr. KILGORE] for the very able work he has done on the bill, of which I am very proud to be a cosponsor.

The bill really is the result of 3 years of work. It has been in preparation that length of time. We bring to final fruition today what I think is a good demonstration of committee work in the Senate on bills which are not glamorous, bills which do not have great public attention directed toward them, but bills which spell the difference between efficient and inefficient Government operations.

I wish to call the attention of the Senate, for the purpose of emphasis, to two paragraphs which are found on pages 7 and 8 of the committee report, because I think those paragraphs go to the heart of the problem. I read near the bottom of page 7:

> Present statutes require competitive bidding on the prime contract. This procedure enables the Government to obtain competitive prices on 60 percent of the cost of construction which is in the nonmechanical trades.
>
> The committee is of the opinion that similar pricewise protection to the Government is needed insofar as the remaining 40 percent of the cost of construction is concerned, and such protection would be afforded under this proposed legislation.

I digress from the committee report a moment to point out that the 40 percent is represented by the so-called subcontracts. I became interested in the bill when I heard from a number of small-business firms in the mechanical field in my State, who said they thought, as one of them put it, they were being shaken down by the prime contractors.

The prime contractors had to approach them in the first instance to get figures which the prime contractors could use in the bids they submitted to the Government in order to get a prime contract in the first place.

Then the prime contractor would go to the potential subcontractor, who had cooperated with him in supplying price figures, as the businessmen in my State said, and proceed with a shakedown operation to get the subcontractor to lower his prices. Upon his failure to do that, the prime contractor would, as the Senator from West Virginia has said, shop around and get some other potential subcontractor to offer a lower price.

Of course, that leads to many sharp practices. It leads to unfairness to the small-business man. I think the committee was very wise, indeed, in pointing out, as it does in the paragraph I have just read, the importance of protecting the Government with respect to the other 40 percent of the construction costs. The committee report continues:

> Under present bidding procedures the price the Government gets is not only too high because of the thinness of competition but because it does not reflect the final price for the mechanical specialty work. As the Tax Court of the United States stated in the case of Ring Construction Corp. (8 T. C. 1070), present bidding procedures cause the subcontractor submitting a bid "to bid so high that he, the subcontractor, can still come down and get the job."

There is a two-pronged evil. There is the evil of the prime contractor, in some instances, following a very sharp practice. Of course, that is not true of many prime contractors, and I do not want what I am saying to be a reflection on prime contractors as a class. I simply say that the record shows that there are some bad actors among them. There are many who follow a very sharp practice which I think Congress owes it to the American people to stop.

But in some instances the subcontractor, as the Tax Court has pointed out, would make a very high bid, realizing it was too high, but knowing from past experience that the prime contractor would come along and chisel him down. So he would put the bid up higher than it should have been in the first instance.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. KILGORE. I wonder whether the Senator from Oregon heard the testimony of some general contractors who oppose the bill, and who complained that the subcontractors would not submit their bids until 15 minutes before the bids were to be opened. The reply was made by some subcontractors, "We do not dare do otherwise, because then we shall have two bidding jobs on our hands. If we submit our bids 2 or 3 days earlier, the prime contractors will start haggling us down; and after that has been done, we shall have to submit bids all over again."

Mr. MORSE. I think it is clear that under the proposed legislation the Government will have a pretty good chance of getting honest bids from the subcontractors. I wish to read one final paragraph from the report:

> The committee is of the opinion that active competition for mechanical subcontracts on Federal work will not produce the right price to the Government unless the low subcontract prices are negotiated prior to the submission of the prime bid and fully reflected in such prime bid. As long as subcontractors will not submit their final price prior to the award of the prime contract because of bid shopping after the award, the Government cannot get the full benefit of the low competitive price.

I think the committee deserves the thanks of the Senate for having done a very fine, workman-like job in plugging what, in my opinion, is one of the gaps in Government contract letting, which has cost the taxpayers of the United States for many years past prices which they never should have been required to pay. I think the evil will be successfully checked by the enactment of the bill.

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

Mr. MORSE. I yield to the Senator from North Dakota.

Mr. LANGER. I am sure the Senator is aware of the fact that when I was chairman of the Committee on the Judiciary last year extended hearings were held on measures substantially like the pending bill. Some were reported favorably, but Congress adjourned before action could be taken on them.

I am sure the Senator is also aware of the fact that many small-business men will no longer bid because they have been forced to lower their bids by some of the prime contractors, with the result that they have lost faith. I might add that in my State the feeling is the same as it is among the small-business men in Oregon, as evidenced by telegrams and letters I have received.

Does the Senator feel that if the bill is enacted it will result in saving the Government millions of dollars?

Mr. MORSE. In my judgment, it will save the Government huge sums of money, amounting to many millions of dollars.

I wish to say that I make this statement as chairman of the Small Business Subcommittee of the Committee on Banking and Currency, and as a member of the Select Committee of the Senate on Small Business. In my capacity as a member of those committees, I have listened by the hour to the complaints of small-business men in regard to the bidding policies which are followed by prime contractors. I think we are taking a step today which is really a move toward protecting the legitimate rights of small business, and which in no way does injury to prime contractors.

Mr. BENDER. Mr. President, I wish to join the senior Senator from Oregon in commending the Senator from West Virginia [Mr. KILGORE] for the fine work he has done in connection with the pending proposed legislation. I know how difficult it is sometimes to take a technical measure and guide it through committee and to the Senate floor, as the Senator from West Virginia has done so well and with such skill.

I wish to speak briefly in behalf of the pending bill, S. 1644, of which I am a cosponsor.

My experience as chairman of the House Subcommittee on Procurement during the 80th Congress, and as chairman of the House Subcommittee on Accounts of the Government Operations Committee during the 83d Congress, has taught me that we in the Congress must keep a close eye on purchasing procedures used by the Government, and that reform in such procedures and practices

is seldom brought about except at the direction of the Congress.

Each year this Government of ours spends from three to four billion dollars in purchasing construction. This sum represents a very sizable part of the Federal budget.

As a purchaser of construction, the Government occupies the position of an owner, and, as such, it is up to the Government to establish policy and procedure to govern the letting of Federal construction contracts. This is precisely what S. 1644 does.

Prior to the submission of the prime bid the parties are free to negotiate at will. After submission of the prime bid it is in the interest of the Government to provide procedure whereby any reduction in cost resulting from further negotiation, except in hardship cases, will accrue to the benefit of the Government. This is precisely what the bill does.

The mechanical specialty trades today represent one of the few remaining industries that are predominantly independent small establishments. These small-business men can ill afford to expend the sizable sums required to estimate the cost of mechanical specialty work on Federal construction and have no assurance that they will receive the contract if they are the lowest responsible bidders. Because of bid shopping now indulged in after award of the prime contract, the specialty contractor has no assurance that he will get to do the work if his is the lowest responsible bid. Accordingly, relatively few of these independent small-business men are now bidding on Government work. The result is to encourage monopoly, to discourage the small-business man, and to incur higher construction costs.

Today, prudent private owners realize that it is to their own advantage to require prime contractors to identify their mechanical specialty contractors. This becomes more and more important as the percentage and cost of construction involved in mechanical specialty work steadily increases.

Existing Federal statutes prescribe in considerable detail the bidding procedures on construction work. However, they fail to take into consideration the present economic realities which induce prudent private owners to require their prime contractors to name their mechanical specialty contractors. Without legislation, Federal agencies are unable, or at least unwilling, to establish any requirements with respect to subcontractor listing. Hence, the Federal Government as an owner must establish such policy and procedures by legislation. The Government has the duty to revise and to modernize the archaic procedures which govern its employees in the letting of construction contracts. By so doing, not just the Government but the entire construction industry will benefit.

The procedure established by the pending bill is very simple. It purposely was made so in order not to create additional administrative duties.

It merely requires the prime contractor to state in his bid the names of the mechanical specialty contractors, if any, that he intends to use to accomplish the mechanical specialty work. This information will not only benefit the Government by enabling it better to evaluate the bids, but it also will induce many mechanical specialty contractors, the vast majority of whom are independent small-business men, to enter into the field of Federal construction. These small-business men, by and large, are now unable to participate in Federal work because of the evil of bidshopping that is so prevalent in Federal construction. Under this bill, that evil will be eliminated, or at least drastically reduced.

We, as Senators, are directors of the largest single purchaser of construction in the United States. As such, we have a duty to see that the money we appropriate for construction purposes is wisely and profitably spent. Moreover, we have an interest in fostering open competition by independent small-business men, and in preventing unfair trade practices on Federal works.

In my opinion, the pending bill, while it may not provide all the answers, will go a long way toward accomplishing these objectives. Accordingly, I urge my colleagues to join with me in voting for passage of this much needed legislation.

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

Mr. BENDER. I yield.

Mr. FLANDERS. I should like to say, first, that while I had not taken particular interest in the pending bill at the start, I have received a number of letters in regard to it from citizens of my State, and the letters were more or less divided, some of the correspondents being for the bill and some against it, which required me to do a little questioning myself. I should like to pass my questions on to the Senator from Ohio, who is one of the sponsors of the bill.

First of all, am I correct in what seems to me an obvious assumption, that the bid shopping practices produce in themselves no decrease in expense to the Government, but result in increased profit to the prime contractors?

Mr. BENDER. Not necessarily. The bill will result in an honest job being done, by all parties concerned, and it will eliminate discrimination.

Mr. FLANDERS. What I am asking is, if a contractor's bid is accepted by the Government, and the contractor whose bid has been accepted goes back to subcontractors and renegotiates bids on the subcontracts, and successfully renegotiates at a lower price, then he makes a larger profit, but the Government gets no advantage from the lower bids of the subcontractors. Is that correct?

Mr. BENDER. I might say to the senior Senator from Vermont——

Mr. FLANDERS. Excuse me for a moment. I do not want to claim that classification. I am senior in age, but junior in service.

Mr. BENDER. In answer to the inquiry of the Senator from Vermont, I should like to say that because of bid shopping, which is now indulged in, after the prime contractor is awarded a contract, the specialty contractor has no assurance he will be able to do the work even if his is the lowest responsible bid. That is true of the independent small-business man bidding on a contract. The result, of course, is to encourage monopoly, discourage the small-business man, and cause higher construction costs. I think the enactment of the bill into law will go a long way toward eliminating those results. The senior Senator from Oregon [Mr. MORSE] and the senior Senator from West Virginia [Mr. KILGORE] have explained the situation very well.

Mr. MORSE. Mr. President, will the Senator from Ohio yield to me?

Mr. BENDER. I yield now to the Senator from Oregon.

Mr. MORSE. As one of the cosponsors of the bill, I wish to thank the Senator from Ohio for the cooperation we received from him. As the Senator pointed out to the Senator from Vermont, he is quite right that under the practices now prevailing in industry with regard to prime contractors, when they get a contract with the Government, they renegotiate with a subcontractor in order to get a lower price from the subcontractor. The subcontractor gets no gain from that, and the Government does not.

There is another evil involved in the so-called renegotiation by the prime contractor. It does not mean the final contract will be with the subcontractor who was mentioned by the prime contractor in his bid data submitted to the Federal Government.

So we have the situation, as I think there was plenty of evidence to prove, that the Government really suffers, in the sense that sometimes the subcontractor will render service inferior to that which would have been rendered by the subcontractor mentioned in the bid data submitted by the prime contractor to the Federal Government.

Mr. FLANDERS. I find that the Senator from Oregon has answered the first question I had in mind, and the Senator from Ohio has answered the second question I had in mind. So that I think my questions have been answered, though not in the order in which I had propounded them.

I wish to make sure that it is clear from the testimony and the committee's investigation that this measure would not merely result in sound practices and fairness, but also would tend to result in lower bid prices and lower ultimate costs.

Mr. BENDER. I may say to the Senator from Vermont that is really the purpose of the bill.

Mr. CURTIS. Mr. President, will the Senator from Ohio yield to me?

Mr. BENDER. I yield.

Mr. CURTIS. What is the position of the various Government agencies toward the bill?

Mr. FLANDERS. That is question No. 3. I shall be glad to have the Senator from Nebraska pursue that question.

Mr. BENDER. I may say to the junior Senator from Nebraska that the chairman of the committee, the senior Senator from West Virginia [Mr. KILGORE] will answer the question.

The question is, What is the position of the Government agencies on this measure?

Mr. KILGORE. I may say that I was ashamed and shocked to find that some Government agencies are opposed to the bill because it will require of them a little more administrative detail.

Mr. CURTIS. In the report of the Atomic Energy Commission, the report of the General Services Administration, the report of the Department of the Army, and the reports of other agencies which enter into such contracts, do they support this measure?

Mr. KILGORE. They do not support the bill in their written reports submitted to the committee before the commencement of the public hearings on S. 1644.

Mr. CURTIS. The Atomic Energy Commission is not recommending the enactment of this measure; is it?

Mr. KILGORE. The Atomic Energy Commission did not recommend enactment of the bill. But if the Senator from Nebraska will read hearings, he will find that the Commission wound up by agreeing that they did not have too much objection to the bill.

Mr. CURTIS. What is the position of the Army?

Mr. KILGORE. The Army had very little to say, except that the provisions of the bill would add some administrative work. Let me say that I was shocked and ashamed to find that in some cases the Department made the complaint that enactment of the bill would require them to do a little more work.

Mr. BENDER. Mr. President, I am sure the Senator will agree that enactment of the bill will not create additional administrative duties, as a matter of fact.

Mr. CURTIS. Mr. President, I read now from the letter from the former Secretary of the Army, Mr. Stevens:

> The fiscal effects of the bill cannot be estimated by the Department of Defense; however, enactment of the bill would increase the Government construction costs through increased administrative expenses.

Mr. KILGORE. That is the original letter, let me say. But the Department of the Army receded vastly from that position, when witnesses from the Department finally got on the witness stand and testified before the subcommittee.

Mr. BENDER. We now have a new Secretary of the Army, and I am sure his position is not comparable to that of the former Secretary of the Army.

Mr. KILGORE. When the witnesses for the Department of the Army were questioned about the bill, they somewhat changed their former attitude, because the bill introduced in the 82d Congress and the bill introduced in the 83d Congress would have required a number of additional administrative expenses, and also applied, I believe, to negotiated contracts. But any such provision has been completely eliminated from the pending bill.

Mr. CURTIS. The letter from Secretary Stevens is dated May 11, 1955, and in the letter he says:

> Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to S. 1644, 84th Congress.

Mr. KILGORE. But when he sent his witnesses to the committee, they began to testify in a somewhat different vein from their original report on the bill.

Mr. BENDER. Furthermore, the letter to which the Senator from Nebraska has referred is comparable to a letter which was sent to the last Congress.

Mr. KILGORE. Yes; it is certainly comparable to the report they submitted on a similar bill of the 83d Congress.

AMENDMENT OF TITLE V OF AGRICULTURAL ACT OF 1949, RELATING TO MEXICAN FARM LABOR—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, 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 amendment.
>
> ALLEN J. ELLENDER,
> OLIN D. JOHNSTON,
> SPESSARD L. HOLLAND,
> GEORGE D. AIKEN,
> MILTON R. YOUNG,
> *Managers on the Part of the Senate.*
>
> HAROLD D. COOLEY,
> W. R. POAGE,
> G. M. GRANT,
> E. C. GATHINGS,
> C. R. HOPE,
> A. H. ANDRESEN,
> W. S. HILL,
> *Managers on the Part of the House.*

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

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

Mr. CLEMENTS. Mr. President, I should like to ask the Senator from Louisiana about the report.

Mr. ELLENDER. It is the conference report on the Mexican labor bill.

Mr. CLEMENTS. I should like to ask what difference there is between the conference report and the bill as it was passed by the Senate.

Mr. ELLENDER. The only amendment made by the Senate was to shorten the period from 3 years and 6 months to 1 year and 6 months. After a discussion of the matter, the Senate conferees receded; that action was unanimous on their part.

The reason for shortening the period, I may say to my good friend from Kentucky, was that we had been informed that during the administration of the act, including last year there were quite a number of violations of the act. However, we now have received a later report showing that after the Mexican Government and our Government got together, the violations became less in number, until at this time the situation is more satisfactory.

The report was agreed to by the conferees with the understanding that the Department of Labor, as well as the Immigration and Naturalization Service, shall make a report to the 2 committees every 6 months, so as to keep the Congress informed about any additional violations. If we should find that the violations continue, then we can take up the matter in Congress in due time.

Mr. CLEMENTS. I am glad the Senator from Louisiana, the chairman of the Committee on Agriculture, has brought out that point, because it was one which the Committee on Agriculture and Forestry discussed, and I believe it to be of considerable importance.

Mr. ELLENDER. In fuller explanation, Mr. President, let me say that when H. R. 3822 passed the Senate, the Senate adopted a committee amendment limiting the duration of the Mexican farm-labor program to the period ending June 30, 1957, instead of June 30, 1959, as provided in the House bill. This amendment had been recommended by the committee after hearing testimony from Gen. J. M. Swing, Commissioner of the Immigration and Naturalization Service, concerning employer violations of their wage agreements. In the light of his testimony, the committee felt that Congress should review this program again before June 30, 1957, to determine what progress had been made in obtaining the compliance of employers with their agreements.

At the time when the conference on the bill was held the conferees had before them a report from the Department of Labor showing that while a number of cases of noncompliance had been encountered in the beginning of the program, great progress had been made, and the number of new cases of noncompliance had been greatly reduced. Furthermore, the conferees had before them a complete discussion by the Department of Labor of the problems and procedures involved in enforcement in accordance with the law and the agreements with Mexico and with employers. In particular, the Department pointed out that failure to act in accordance with these agreements might result in releasing employers from their wage guaranties—which should, of course, be avoided. In view of the progress made in obtaining compliance in accordance with the law and the pertinent agreements and the evident desire of the agencies involved to cooperate in enforcement of the law, the conferees felt that the program might safely be extended to June 30, 1959, as provided in the House version of the bill.

The conferees felt, further, that the agencies involved should advise the chairmen of the Senate and House committees in charge of this legislation at 6-month intervals of the progress made in obtaining compliance; and that those committees would be most diligent in recommending any action by Congress

which might appear necessary in the light of those reports. The conference report therefore recommends that the Senate recede from its amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the statement to be made by the managers on the part of the House, when they present the conference report to the House of Representatives.

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

STATEMENT

The only amendment made by the Senate was to change the period of extension of the act from the 3½ years provided in the House bill to 1½ years. The Senate committee did not hold hearings on the bill but indicated in its report that its action in reducing the period of extension was taken as the result of a statement made to the committee by the Commissioner of Immigration and Naturalization and for the purpose of providing congressional review of the legislation at an earlier date. It was the Commissioner's contention that some employers have not been paying the full wage required under the contract of employment and that the Immigration and Naturalization Service should have authority to check on contract compliance.

Although the Department of Justice was invited by the House committee to appear on this legislation and a spokesman for the Immigration and Naturalization Service did, in fact, testify at the hearings, no evidence of the type described in the Senate report was presented to the House committee. On the contrary, the representative of the Immigration and Naturalization Service strongly endorsed the present program and apparently favored indefinite extension of the act.

The matter of compliance with the work contract is fully covered by the International Agreement entered into by the United States and Mexico, and a specific procedure is provided to assure that the worker will be paid in accordance with the contract of employment. The Mexican Consulate and representatives of the United States Department of Labor are given full authority to see that the contract provisions are carried out. To give the Immigration and Naturalization Service similar authority would necessitate a revision in the International Agreement, create dual jurisdiction among Federal agencies and confusion of administration, and would necessarily increase the cost of the program without any corresponding benefits.

Both the Immigration and Naturalization Service and the Department of Labor have duties and responsibilities in connection with the entry of Mexican nationals into the United States in connection with farm employment. The duty of the Immigration and Naturalization Service is to see that entry into the United States is in compliance with our laws and that aliens illegally in this country are apprehended and deported. The duty of and responsibility of the Department of Labor is to administer and enforce the laws relating to the employment of Mexican nationals as farmworkers in the United States pursuant to an agreement with the Government of Mexico and a work contract with the Mexican national.

While these responsibilities relate to the same general subject, they are by no means identical or overlapping. Each has its own duties to perform in its own field and from evidence presented to the House committee, which went exhaustively into this subject, it appears that both the Department of Labor and the Immigration and Naturalization Service have, particularly in the past year, been doing a very effective job.

It was the sense of the committee of conference that there has been substantial improvement in the situation in the past few months as the result of the effective administration and the cooperation of these two agencies of Government. It was the further sense of the committee that there should continue to be a high degree of cooperation. If the Immigration Service, in the performance of its duties, has information which would indicate a violation of the work agreement it should furnish that information to the Department of Labor in order that the agency to which Congress has delegated the responsibility of administering the program may take appropriate action under the procedures authorized by the act and written into the international agreement.

It is in anticipation of this type of cooperation that the committee of conference has agreed to the 3½ years extension of the act as provided in the House bill. It is the view of the committee, however, that the respective legislative committees of the House and Senate should maintain a close oversight of this program and that the agencies referred to should keep the chairmen of the respective committees informed of their operations in this field not less frequently than once each 6 months.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

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

S. 2375. An act to provide for 5-year terms of office for members of the Subversive Activities Control Board with one of such terms expiring in each calendar year.

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 amendment of the Senate to the joint resolution (H. J. Res. 157) to establish a Commission on Government Security.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. TABER, Mr. WHITTEN, Mr. MARSHALL, and Mr. H. CARL ANDERSEN, on chapter I; Mr. CANNON, Mr. TABER, Mr. PRESTON, Mr. THOMAS, and Mr. BOW, on chapter II; Mr. CANNON, Mr. TABER, Mr. MAHON, Mr. SHEPPARD, Mr. SIKES, Mr. WIGGLESWORTH, Mr. SCRIVNER, and Mr. FORD, on chapter III; Mr. CANNON, Mr. TABER, Mr. PASSMAN, Mr. GARY, and Mr. WIGGLESWORTH, on chapter IV; Mr. CANNON, Mr. TABER, Mr. ANDREWS, Mr. MAHON, and Mr. FENTON, on chapter V; Mr. CANNON, Mr. TABER, Mr. THOMAS, Mr. YATES, and Mr. PHILLIPS, on chapter VI; Mr. CANNON, Mr. TABER, Mr. KIRWAN, Mr. NORRELL, and Mr. JENSEN, on chapter VII; Mr. CANNON, Mr. TABER, Mr. FOGARTY, Mr. FERNANDEZ, and Mr. HAND, on chapter VIII; Mr. CANNON, Mr. TABER, Mr. RABAUT, Mr. KIRWAN, and Mr. DAVIS of Wisconsin, on chapter IX; Mr. CANNON, Mr. TABER, Mr. ROONEY, Mr. PRESTON, and Mr. COUDERT, on chapter X; Mr. CANNON, Mr. TABER, Mr. GARY, Mr. PASSMAN, and Mr. CANFIELD, on chapter XI; Mr. CANNON, Mr. TABER, Mr. RABAUT, Mr. NORRELL, and Mr. HORAN, on chapters XII, XIII, XIV, and XV, were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7301) to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va.

ENROLLED BILLS SIGNED

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

H. R. 2107. An act to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes;

H. R. 2109. An act to authorize permanent appointments in the United States Navy and in the United States Marine Corps;

H. R. 5512. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Administrator to the State of Louisiana;

H. R. 6259. An act to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board and for other purposes," approved June 4, 1948; and

H. R. 7029. An act to establish a permanent committee for the Oliver Wendell Holmes devise, and for other purposes.

POLICY AND PROCEDURE IN CONNECTION WITH CONSTRUCTION CONTRACTS

The Senate resumed the consideration of the bill (S. 1644) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

Mr. MURRAY. Mr. President, I wish to make a few remarks on the Federal construction contract bill, S. 1644.

The able chairman of the Judiciary Committee [Mr. KILGORE] has explained how this bill would place Federal bidding procedures in line with those used by prudent private owners in their own self-interest to make Federal procurement of construction more efficient and lower in cost.

Other Senators have discussed the bill in detail, demonstrating its importance. I am happy, of course, to agree with these expressions. It is highly important that Federal procurement procedures be placed on an efficient basis to reduce the cost of construction. However, I particularly wish to emphasize the need for this legislation in order to preserve the independence of a vital industry composed almost entirely of independent small-business men.

There is an ever-increasing tendency today toward merger of business enterprises, with the unfortunate result that the bulk of most industries is becoming consolidated in the hands of a few companies. The problem of monopoly involved in the tendency of industry to become concentrated in the hands of a few, is not easy of solution. Continued enforcement of the antitrust laws is, of course, important. But the Government sometimes finds itself in the unhappy position of prosecuting restraints of trade and monopolies on the one hand and, on the other, using procurement policies which cause the big to become bigger and the small to be eliminated.

The construction industry does an annual gross business of something over $40 billion each year. Of this amount, Federal construction in ordinary times accounts for about one-tenth. In times of emergency, most construction is Federal construction.

Further integration of the construction industry may be inevitable. I feel, nevertheless, that the Government has a duty to see that the independent small businessman has a fair and equal chance to compete on Federal construction. This is one of the prime purposes of the bill under consideration.

Under present procedures, Federal Agencies do not require prime contractors to specify their mechanical specialty subcontractors on construction projects as do many private owners, State governments, municipalities, school boards and other large purchasers of construction. This failure has led an increasingly large number of prime contractors on Government projects to engage in the practice of shopping their mechanical specialty bids, that is, soliciting new mechanical specialty bids after they have been awarded a contract on the basis of a subbid which they used in preparing their own bid to the Government.

The result of this bid-shopping has been to reduce competition and hence cause higher Government construction costs. It also has caused mechanical specialty contractors either to become dominated by or financially dependent upon general contractors or to refuse to submit specialty bids on Government work and thus be deprived of an opportunity of participating in the tremendous volume of Federal construction.

The independent small-business man certainly is entitled to a fair share of the work on vast Federal projects. Yet under present procedures he is not participating fully, and cannot be expected to participate as long as there are no procedures giving him reasonable assurance that his specialty bid will not be misused. He is personally willing to take his chance at being the low responsible bidder. However, he is unwilling to expend the substantial sums required to estimate the cost of mechanical specialty work and yet have no assurance that he will receive the contract if his bid is used by the prime contractor who gets the award.

I believe that S. 1644 is admirably designed to prevent the unfair trade practice of bid shopping and to encourage the small mechanical specialty contractor to bid on Federal projects.

The bill would injure no one. Benefits would accrue to prime contractors, mechanical specialty contractors, the employees of each, and to the public, in the form of reduced construction costs on Federal construction.

I firmly believe that the bill merits the support of Senators.

The PRESIDING OFFICER. The committee amendments will be stated.

The amendments of the Committee on the Judiciary were, on page 2, line 3, after the word "contractor", to strike out "who will perform" and insert "with whom the prime contractor will contract for the performance of"; in line 6, after the word "involved", to strike out "in the performance thereof"; on page 4, line 3, after the word "is", to strike out "approved" and insert "permitted"; on page 6, line 5, after the letter "(a)", to strike out "This Act shall not" and insert "Neither this Act nor compliance with the provisions thereof shall"; in line 10, after the word "contract", to strike out "and shall not" and insert "or"; and after line 13, to strike out:

(b) Neither acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor or awarding a contract to such prime contractor after such acceptance shall be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named.

And in lieu thereof, to insert:

(b) Acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor, or awarding a contract to such prime contractor after such acceptance, or permitting or denying the substitution of a contractor in accordance with the provisions of section 2 (g), shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named or substituted, or to relieve the prime contractor of any responsibility for performance of the contract.

So as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Federal Construction Contract Act of 1955."

SEC. 2. (a) Each executive agency shall list in the bidding or contract documents relating to each lump-sum construction contract before accepting bids or proposals with respect thereto, each major category of mechanical specialty work involved in the performance thereof.

(b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor with whom the prime contractor will contract for the performance of each major category of mechanical specialty work involved which may have been listed by the contracting executive agency in the bidding or contract documents has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

(c) This section shall not prevent any prime contractor from himself performing any major category of mechanical specialty work under a lump-sum construction contract awarded to or undertaken by him if the bid or proposal referred to in subsection (b) of this section specifies that the prime contractor will himself perform such category of the mechanical specialty work.

(d) This section shall not be construed to forbid or prevent any executive agency from awarding separate or several prime or direct lump-sum construction contracts for any one construction project.

(e) No prime contractor under a lump-sum construction contract shall have any major category of mechanical specialty work involved in the performance of such construction contract as listed by the contracting executive agency in the bidding or contract documents, performed by any person other than the person named for the performance of such work in accordance with subsection (b) or (c) of this section, except in accordance with the provisions of subsection (f) or (g) of this section.

(f) If a contractor named by the prime contractor under a lump-sum construction contract in accordance with subsection (b) of this section shall fail or refuse to perform or complete the work to be performed by him in accordance with the terms of his subbid or subcontract therefor, the prime contractor may engage a substitute or different contractor to perform such work: *Provided*, That he first submits in writing to the contracting executive agency the name of the substitute contractor.

(g) If, for any reason not specified in subsection (f), a prime contractor under a lump-sum construction contract prefers to have any major category of mechanical specialty work on the project covered by such construction contract as to which he has named a contractor under subsection (b) hereof performed by a contractor other than the one named in accordance with said subsection (b), the prime contractor may engage such substitute contractor if (1) the prime contractor submits to the contracting executive agency in writing the name of the substitute contractor and such information as the contracting executive agency may request as to any change in cost to the prime contractor involved in the proposed change in contractors; and (2) the use of such substitute contractor is permitted in writing by the contracting executive agency.

(h) This act shall not apply to the following construction contracts:

(1) Contracts to be performed outside the continental limits of the United States, which limits shall be deemed to include Alaska.

(2) Contracts in which the aggregate bid or proposal accepted by the contracting executive agency does not exceed $100,000.

(3) Any contract with specific reference to which the head of the contracting executive agency determines that the procedure prescribed herein would result in undue delay and that the public exigency will not admit of such delay.

SEC. 3. For the purposes of this act—

(1) The term "executive agency" means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(2) The term "construction contract" means any contract entered into by any executive agency for the erection, repair, moving, remodeling, modification, or alteration of any building or structure upon real estate intended for shelter or comfort, or for production, processing, or travel, including without being limited to, buildings, bridges, tunnels and highways, but not including aqueducts, reservoirs, dams, irrigation and regional water-supply projects, flood-control projects, waterpower-development projects, jetties and breakwaters or the buildings or structures incident to or included in the contract for such excluded projects.

(3) The term "mechanical specialty work" in connection with a construction contract means all plumbing, heating, piping, air conditioning, refrigerating, ventilating, and electrical work, including but not being limited to the furnishing and installation of sewer, drainage and water supply piping and plumbing, heating, piping, air conditioning, refrigerating, ventilating and electrical materials, equipment and fixtures.

(4) The term "prime contractor" means a person having a direct contractual relationship with an executive agency for the performance of a construction contract.

(5) The term "person" means an individual, corporation, partnership, association, or other organized group of persons. All references to contractor or prime contractor shall include individuals, corporations, partnerships, associations, or other organized groups of persons who are contractors or prime contractors.

(6) The terms "lump-sum contract" and "lump-sum construction contract" mean a construction contract, whether awarded after bid or negotiated, under which the price is fixed or to be fixed by any method other than the cost-plus-a-fixed-fee method.

SEC. 4. (a) Neither this Act nor compliance with the provisions thereof shall be construed to create any privity of contract between the United States Government, or any agency thereof, and any contractor, contracting with the prime contractor under any construction contract, or give any such contractor any cause of action against the United States or any agency thereof arising out of the failure of any person to comply with the provisions of this act.

(b) Acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor, or awarding a contract to such prime contractor after such acceptance, or permitting or denying the substitution of a contractor in accordance with the provisions of section 2 (g), shall not be construed to be approved or acceptance by the executive agency of the United States Government of any contractor named or substituted, or to relieve the prime contractor of any responsibility for performance of the contract.

(c) Nothing in this act contained shall be construed to prevent any executive agency from requiring, in its discretion, approval or acceptance by it of contractors engaged or to be engaged by any prime contractor on a construction contract or from making any other requirements it deems advisable in its discretion with respect to contractors engaged or to be engaged by prime contractors on any construction contract or from requiring any information it deems advisable in its discretion as to the cost of performance of any construction contract.

The amendments were agreed to.

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

Mr. GORE. Mr. President, I should like to inquire of the author of the bill if he can give us an estimate of the additional cost to the taxpayers as a result of the passage of the bill. I have previously opposed the kind of legislative proposals contained in the bill. I have examined the report. I could find no estimate of the additional cost to the United States Government as a result of its enactment. Surely if we are to pass such a contractors' bill, the country should be advised of the additional burden which the taxpayers will be called upon to bear.

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

Mr. GORE. I yield.

Mr. MORSE. I am not a member of the committee, but I am satisfied that the bill would save the taxpayers of the country a great many millions of dollars which are now being lost to the taxpayers because of the inferior work which results from the shakedown practices engaged in by prime contractors with respect to subcontractors, after the prime contract has been let.

I believe, as the debate earlier this afternoon brought out, that testimony of small business contractors shows that they are the victims of some very bad practices on the part of some prime contractors. Fortunately they do not represent the general run of prime contractors, but there are enough of them to justify this course of action.

I judge from what the chairman of the committee has said that any additional administrative cost to the Federal Government because of this procedure would be nominal.

Mr. SPARKMAN. Mr. President, may I be permitted to answer the question of the Senator from Tennessee?

Mr. GORE. I yield. However, I must say at the outset that I do not concur in either the sentiments or the conclusions stated by the senior Senator from Oregon.

Mr. SPARKMAN. Let me say to the Senator from Tennessee that I concur in what the Senator from Oregon has said, and I think there is proof to substantiate his statement. As a matter of fact, in the report from the Department of the Army the only additional cost claimed was additional administrative cost.

In reality, the proposed practice was followed during World War II. This practice was recommended by the House Military Affairs Committee at the beginning of the defense program in World War II. The War Department voluntarily followed this practice for some time after the conclusion of the war. Certainly there would be no additional expense so far as the cost of the work is concerned. It may be that there would be some additional administrative cost to the Department. It should be nominal. Certainly the economy of the country would be strengthened by this measure.

Mr. GORE. How would the Senator say such a result would be brought about?

Mr. SPARKMAN. This is a measure to give to small independent contractors the kind of protection which the War Department, during World War II, stated they were entitled to, and the kind of protection which the codes of ethics of the Associated General Contractors of America, Inc., and the American Association of Architects say they are entitled to.

Mr. GORE. Will the Senator point out in the bill where the words "small contractor" are used?

Mr. SPARKMAN. Those exact words are not used, but we know that they are the type of contractors who are affected by the bill. There is not a single provision in the bill of which regular contractors need be afraid if they are already equipped to do this specialty work. The bill does not prohibit them from continuing to do it. However, it does provide that they shall not set up subordinate organizations merely for the purpose of doing it, and shall not engage in shopping around after the prime contract has been awarded. The bill is directed at the practice of shopping around among small independent contractors in order to get them to cut one another's throats.

Mr. GORE. The junior Senator from Tennessee knows of nothing wrong with shopping around. The junior Senator from Tennessee knows no reason why one who is submitting a bid to the United States Government should be placed in a straitjacket and denied the opportunity of shopping around, thereby giving to the taxpayers of the country a lower bid.

Mr. SPARKMAN. Mr. President, I cannot believe that the Senator from Tennessee is using the term "shopping around" in the sense in which it is usually used, because I know that the Senator from Tennessee would frown upon the practice, as the term is usually used, just as the Associated General Contractors, in its code of ethics, proclaims against it, and just as the American Association of Architects, in its code, proclaims against it.

Mr. KILGORE. Mr. President, will the Senator permit me to answer the question?

Mr. GORE. I yield.

Mr. KILGORE. When an undesirable type of general contractor bids on a job he obtains bids from subcontractors. After those bids are in, if the prime contract as awarded to him, he shops around for his own profit. He does not care what type of subcontractor he may then get. All he is anxious about is to make an extra $50,000, $60,000, or $70,000 to stick in his own pocket. The Government does not benefit by such practice.

The time when the general contractor should try to obtain the lowest subcontractors' bids is before the letting of the prime contract. However, according to the testimony of practically all the specialty contractors—at least the lending ones—at the present time they are refusing to bid on Government contracts because after the contract is let, bid shopping goes on. In an effort to get lower bids the prime contractors take their bids to every Tom, Dick, and Harry who holds himself forth as a contractor. The bill guards against such a practice.

In the first place, the contractor will be required to list his subcontractors. That will cause a contractor to submit legitimate bids, and will increase competition in from 40 percent to 60 percent of the cases.

For instance, on the Senate Office Building, 80 percent of the prime contract is let out to subcontractors. The bill would protect the subcontractors. If a subcontractor fails to perform properly, or if the contractor gets another subcontractor, the prime contractor must get a subcontractor who is acceptable to the Government.

At the present time the Government does not know who the subcontractors are. In the first place, when a prime contractor obtains a contract, we do not know whether he has the equipment with which to do the work. In the second place, a contractor can shop around for subcontractors.

I know something about the contracting business, having been engaged in it at one time in my life. I know that no reputable contractor will deal with a bid shopper. He would rather not have the work.

The bill would require the Federal Government to do what private industry does. When letting a contract, the Government would require a contractor

to submit with his bid the names of his subcontractors. If the contractor is awarded the contract and if the contractor decides to make a change, he must submit the names of the new subcontractors. If that is done, the Federal Government can check on them.

Mr. GORE. Mr. President, I submit that the explanation, however ably given by the senior Senator from West Virginia, demonstrates that the bill should not be passed. True, as the Senator has stated, if enacted, the bill will provide protection to the subcontractors who are listed by the prime contractor.

I am addressing my remarks to the protection of the United States Government and the taxpayers. The bill, if enacted, will inevitably result in greater cost to the taxpayers of the United States. I believe I can demonstrate that to be true by the answer given by the distinguished Senator from West Virginia.

In the first place, the bill provides a competitive-bidding rigidity which will result in higher bids being submitted to the Government. That follows because the prime contractor must not only list the subcontractors to whom he in turn will award subcontracts, if the prime contract is awarded to him, but, as the Senator has stated, the bill provides protection for them, in that the prime contractor must award the contracts to those listed concerns.

Mr. KILGORE. Mr. President, may I interrupt at that point?

Mr. GORE. I yield.

Mr. KILGORE. The bill does not so provide. He may substitute other subcontractors provided they are acceptable to the Government agency with which he is dealing.

Mr. GORE. That would put the Government of the United States in the odd position of having to referee a contest between subcontractors. What is the proper procedure in awarding contracts by the United States Government? It seems to me it is to award a contract to the lowest responsible bidder, and then hold that successful bidder responsible for the performance of his contract. If the Government must go into the business of refereeing or of approving or of disapproving subcontractors for specialty types of work, to whom is it to look for responsible performance? Suppose the Government approves a subcontractor, and that subcontractor does faulty work. The prime contractor can hold up his hands, if the bill is passed, and say to the Government, "You approved this subcontract."

I submit the bill is an unwise piece of proposed legislation.

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

Mr. GORE. I yield.

Mr. McNAMARA. I am very much impressed with the remark of the Senator from Tennessee that he is concerned with a general contractor who is the responsible low bidder. Why should not the Senator be as much concerned with the responsible low bidder who is a subcontractor?

The general or prime contractor decides that the subcontractor he lists in his proposal is responsible and the lowest bidder obtainable. So the subcontractor is treated in exactly the same way in which the general contractor is treated.

In the construction business today there are many people who are, in effect, brokers. They take subcontracts on everything. They are not general contractors in the accepted sense of the term. I am sure the Senator from Tennessee knows of many such instances. They are the ones who make necessary this type of legislation. They treat everyone as subcontractors, although they themselves, as I have said, are not usually considered to be general contractors in the accepted meaning of that term. They are merely brokers.

I believe the bill will go a long way toward correcting a patent evil. I believe the Senator would agree with me if he had heard the debate up to this time and if he had sat through the hearings and heard the testimony. I am sure he would be impressed by the testimony.

Mr. GORE. I am impressed by what the able junior Senator from Michigan has stated. He knows that I hold him in high personal affection and that I entertain a very high regard for his opinion.

From reading the bill I do not find in it any requirement that the prime contractor shall list the subcontractor submitting the lowest bid.

Mr. KILGORE. No. The bill provides that he shall list the subcontractors of his choice.

Mr. McNAMARA. That is correct.

Mr. GORE. There is no provision in the bill which requires the listing of the lowest responsible subcontractor.

Mr. KILGORE. We are trying to remove any restrictions. I should like to ask a question of the Senator from Tennessee. Does he consider General Motors a fairly ably managed organization?

Mr. GORE. I would say yes.

Mr. KILGORE. How about United States Steel?

Mr. GORE. Their financial statements would so indicate.

Mr. KILGORE. How about E. I. du Pont?

Mr. GORE. The Senator is naming industrial giants. Evidently they are efficiently operated.

Mr. KILGORE. How about Ford?

Mr. GORE. Yes.

Mr. KILGORE. General Electric?

Mr. GORE. Yes.

Mr. KILGORE. The pending bill follows substantially their contract letting policies. The Senator from Tennessee certainly does not believe that those corporations are throwing money out the window.

Mr. GORE. Is the Senator saying that the prime contractor can list any subcontractor he desires to list?

Mr. KILGORE. Yes. He describes his own bid and lists the names of the subcontractors he will employ, or intends to use to get the job completed.

Mr. GORE. Then all the prime contractor has to do if he wishes to substitute another subcontractor for the one listed is to obtain the approval of the contracting agency of the Government?

Mr. KILGORE. Yes; to make sure that he also is a responsible subcontractor.

Mr. GORE. What provision is there in the bill to prevent the prime contractor from shopping around, so to speak, to find a subcontractor who will submit a lower bid, if he can obtain approval of the contracting agency of the Government?

Mr. KILGORE. There is nothing in the bill to that effect. That was the principal objection to the other bill. It required too much policing. In the construction business, as I know from experience, the reputation of the prime contractor is the biggest asset he has. If a subcontractor who does not have a record of good performance makes a bid, the prime contractor will not risk his reputation by giving him a subcontract, for his reputation means too much to him. But some fellow who simply wants to make a quick dollar will do almost anything. I remember that on one occasion it became necessary to tear out 9 miles of highway because the work was done by an irresponsible subcontractor on a big contract. We have never had a fixed policy. The best policy to follow is that adopted by some of the big corporations.

Mr. GORE. Then the Senator has confirmed that the bill will, if enacted, place the Government in the position of refereeing between subcontractors, and thereby place the Government in a compromising position.

Mr. KILGORE. The Senator is completely wrong in that statement. The bill does not provide that the Government act as a referee. The only thing the Government has the right to do is to veto a contract if an irresponsible subcontractor is brought in.

Mr. GORE. The approval or disapproval of subcontractors would inevitably compromise the Government's position of insisting upon performance.

Mr. KILGORE. I think I know who gave the Senator that idea. I heard the same statement made in the hearing.

Mr. GORE. No one gave it to me. It seems to me to be an inevitable conclusion.

Mr. KILGORE. No. It is plainly written into the bill that the Government is in nowise waiving any right when an irresponsible subcontractor is brought into the contract.

Mr. GORE. Why should the United States Government, with its hands full of the problems of the people, be placed in the position of having to decide upon the competency of a subcontractor to install a switchboard in the Senate Office Building, for example?

Mr. KILGORE. Do we not have a Capitol Architect? Contracting companies have what they call A and E contractors. It is much easier to let a job ramble along, but it is not good business. The biggest construction organization in the world is the United States Government. In the bill we adopted the easiest and best system to follow, which is that used by all the large corporations.

Mr. GORE. Has the Senator given consideration to how many thousands of subcontractors there are in the United States?

Mr. KILGORE. Yes. There are plastering subcontractors, bricklayer subcontractors, carpenter subcontractors, and innumerable others. This bill applies to specialty subcontractors, doing work which involves engineering skills. A man can get a bricklayer contractor anywhere he wants to.

Mr. GORE. Suppose the prime contractor in connection with the New Senate Office Building has a subcontractor to install an electrical switchboard in that office building. I dare submit to the Senator that there are a minimum of 25,000 subcontracting concerns in the United States which might be competent or might not be competent, but who would undertake that subcontract.

Mr. KILGORE. Let us not exaggerate, and let us not talk about one switchboard. Let us talk about the entire electrical contract work on that building.

Mr. GORE. The Senator has answered me in part. He has said we have a Capitol Architect to look after that. Suppose a subcontractor in the State of California or in the State of Louisiana or in the State of West Virginia were submitted to the Government as a substitute subcontractor. How would the Architect of the Capitol go about determining the competency or incompetency of that subcontractor in Louisiana or in California or in West Virginia? I am saying to the able Senator from West Virginia that the bill places a burden upon the United States Government to referee, catalog, and make decisions on competency or incompetency in thousands and thousands of cases, and that will cost money. What the Government should do is to continue its practice of awarding contracts to the lowest responsible bidder, leaving him with the privilege of selecting his subcontractors, and leaving him free to submit to the Government the lowest bid which he thinks he can make.

Mr. KILGORE. I should like to ask the Senator if he has ever done any construction work.

Mr. GORE. I have built a barn or two.

Mr. KILGORE. Was there any concealed wiring or plumbing or heating involved?

Mr. GORE. There may have been some.

Mr. KILGORE. Does the Senator realize that defects may not show up for 4 or 5 years, and then the whole side of the building must be torn out?

The Senator raised this question, and I have here a letter from William Stanley Parker, of the American Institute of Architects. He completely and absolutely endorses the procedures contained in S. 1644.

I shall not continue the argument longer, because we have already held up a committee meeting long enough.

I would ask the Senator to go to a cattle sale somewhere and buy a thoroughbred bull, knowing where it came from, what its record was, and what its name was, and then allow the fellow who sold it to substitute blindly another bull.

Mr. GORE. I do not think I would do that.

Mr. KILGORE. I do not think so, either.

Mr. McNAMARA. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. McNAMARA. The condition which the Senator from Tennessee has mentioned does not exist with regard to the proposed legislation. The installing of an electrical switchboard would be a part of the general electrical contract which includes the components parts that make up the contract. So the Government is not put into the position of being a referee to the degree which the Senator has mentioned. Ordinarily the contracts are divided into three categories: Electrical work, masonry work, and the mechanical work, which includes plumbing, heating, and such things. Two of those categories are generally covered by subcontracts, and the other is covered by a general contract.

The bill does not break down the subcontractors under the various headings, and handle the situation in that manner. It does not envision any of the problems which the Senator visualizes. I am certain that if the Senator will read the hearings, he would find that to be true. I think it is a misinterpretation of the word "subcontractor," which brings about the confusion at this point.

Mr. GORE. I appreciate the Senator's statement. It is entirely possible that I am utterly wrong about my understanding of the bill and my attitude toward it.

I do not understand, though, that the bill contains any provisions which undertake to define the extent of a subcontract.

The junior Senator from Michigan has said, again using the Senate Office Building Annex as an example, that the subcontract for the electrical wiring and other electrical installations would include the installation of a switchboard. Is it not possible that if the subcontractor who had the subcontract for the electrical installation might himself, in turn, let subcontracts? And is not that also an accepted practice?

Mr. McNAMARA. Yes; except that the bill does not go down that far in the treatment of subcontractors. We could visualize breaking up the subcontract for the switchboard into 5 or 6 more subcontracts. The company which nickel-plated the switches might be a subcontractor. The one who furnished the clips to attach the switchboard to the floor might be considered a subcontractor. We could go on and on. But the bill does not go that far. The bill deals with contractors and subcontractors in the sense accepted in the construction industry, in which the architects divide the construction industry, in which the architects divide the work into three categories: The general contractor, the mechanical contractor, and the electrical contractor.

It is the term "subcontractor" which brings about all the confusion.

Mr. GORE. The Senator from Michigan, it appears to me, has demonstrated the inadvisability of this kind of legislation. He has said it goes only so far. I do not think it should go even that far. But certainly if it should go so far as to protect one category of subcontractor, then there is some question whether it should not go far enough to protect the other subcontractors.

I do not know why the Government should go beyond the acceptance of a bid and the award of a contract to the lowest responsible bidder, and then hold the successful bidder responsible for the performance of the contract.

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

Mr. GORE. I yield.

Mr. SPARKMAN. I call the attention of the Senator to the language of the bill, on page 2, line 1, as follows:

> (b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor with whom the prime contractor will contract for the performance of each major category of mechanical specialty work involved which may have been listed by the contracting executive agency in the bidding or contract documents, has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

I think that is the language which the Senator from Michigan had in mind when he gave a breakdown. In other words, there is language in the bill to that effect. It is in accord with the practices of the construction industry.

The Department of the Army, in its letter, even though it objected to approval of the bill, began by saying that the purpose of the bill was to do away with a bad practice—bid shopping. Their only reason for opposing the bill, apparently, was administrative difficulties. But that is an old story in the Government. Throughout the period of World War II, and during the time we were getting ready for the war, the Army, of its own accord, carried out this very kind of program.

Mr. GORE. Does not the Senator think the administrative difficulties would be great if the Government must approve or disapprove every subcontract which might be submitted?

Mr. SPARKMAN. The Senator from Tennessee speaks as if there would be a great host of subcontractors to be considered. As I read the bill, only those who are doing major specialty contracting are to be considered. As the able junior Senator from Michigan [Mr. McNAMARA] has pointed out—and certainly he knows whereof he speaks—those are divided into only three categories.

My understanding of the procedure is that even today the Department of Defense, in awarding contracts, requires the main contractor to submit the names of his principal subcontractors. In other words, that practice is being followed.

What is happening—and this is the bad practice which the Department of the Army speaks about—is that often some unethical contractors violate their own code of ethics by submitting dummy names. Then after the bidding has been concluded, they shop around for still lower bids from other subcontractors. They do not call upon the smaller contractors to give them the best possible bids so as to save the Government money. The price which the Government must pay is set, even though the subcontractor may be nothing but a dummy. When the Government's responsibility has been

set, the prime contractor begins to prey upon the small, individual contractors in the community, in an effort to beat them down in the prices they will charge, and even below what they estimated to the Government, all this being to the profit of the principal contractor.

Such a practice is against the code of ethics of the construction industry.

All we are attempting to say is that the United States Government shall insist, in connection with the contracts it awards for the Government's work, that the code of ethics shall be adhered to.

Mr. GORE. Will the Senator from Alabama read the provision of the bill which would prevent a prime contractor from shopping around for a lower bidding subcontractor, after the prime contractor has been awarded the prime contract?

Mr. SPARKMAN. The bill contains such language; I do not know at the moment where it is found.

Mr. GORE. The junior Senator from Michigan said the bill did not so provide.

Mr. SPARKMAN. My understanding is that the effect of the bill is to accomplish that purpose, because the prime contractor is required to give the name of a real, flesh and blood subcontractor, instead of a name of a dummy. If the real subcontractor does not perform his obligation, the prime contractor is required to get someone else who is real and who will be acceptable by the Department of Defense.

Mr. GORE. The junior Senator from Alabama has said one thing; the junior Senator from West Virginia has said another.

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

Mr. GORE. I yield.

Mr. McNAMARA. Actually, the bill does not prohibit changing a subcontractor, but it must be done with the permission of the Government agency involved, because there might be a valid reason for making a change. The theory is that the lowest responsible bid on the part of the subcontractor was already in the bid of the prime contractor; and to make a change in the subcontractor, the prime contractor must get permission. That is all that is necessary. Furthermore, under the bill, the prime contractor can assume the job himself, if he wishes to go into that phase of the business. I do not think the bill would injure the general contractor in any way. I think the provisions which the Senator from Tennessee finds objectionable were placed in the bill because the general contractors wanted the right which they give. I think the framers of the bill properly took those desires into consideration.

Mr. GORE. The junior Senator from Michigan says there is no provision in the bill which will prevent a prime contractor from doing the very thing of which the Senator from Michigan and the other advocates of the bill have complained, to wit, shopping around.

Mr. McNAMARA. The Senator from Tennessee is overstating what I said. I said the bill would not prevent the prime contractor from substituting for a certain subcontractor one who is accepted as a legitimate contractor; but it would put the onus on him to use only legitimate subcontractors in seeking the bids, rather than to go into the field and get so-called fly-by-night contractors, who might do the work cheaper, but who were not capable of doing an acceptable job because of their history in the business, which indicated they did not have the proper experience to do the work required. The prime contractor would be prevented from using such a subcontractor if, in the judgment of the Government agency concerned, the subcontractor was not a reliable substitute. An acceptable substitute is all that is required. In fact, the general contractor assumes the obligation of getting all possible bidders in that category to bid on the job, and to accept the lowest possible bid in the first instance.

Mr. GORE. Mr. President, that confirms exactly what the junior Senator from Tennessee has said. It places upon the Government the onus of cataloging and determining the competence of subcontractors. It places upon the Government the responsibility of approving or disapproving the substitution of a subcontractor. Is not that what the Senator from Michigan said?

Mr. McNAMARA. I said what the Senator said in the last part of his statement, not what he said in the first part.

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

The PRESIDING OFFICER. (Mr. CURTIS in the chair). Does the Senator from Tennessee yield to the Senator from Oregon?

Mr. GORE. I wish to speak for a moment, and then I shall yield to the Senator from Oregon.

The junior Senator from Michigan has referred to fly-by-night subcontractors. There must be some opportunity for young men in the construction field, be they fly-by-night subcontractors or not, to enter into the subcontracting business. Does the Senator mean by his statement that only an established contractor will be accepted? Is the Government to be placed in the position of saying that it is not going to accept a subcontractor's bid to install a switchboard, for example, merely because that subcontractor has not been a dues-paying member of the contractors' organization? I say that would place the United States Government in an improper position. It would take away from the prime contractor the full responsibility for performance of the contract, and would place the Government in the compromising attitude of having to approve subcontractors who may be substituted for others.

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

Mr. GORE. I yield to the Senator from Oregon.

Mr. MORSE. I should like to call the attention of the Senator from Tennessee to three sections of the bill, and then make brief comments thereon.

I first call attention to section 2 (b), which appears on page 2, and reads as follows:

(b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor who will perform each major category of mechanical specialty work involved in the performance thereof which may have been listed by the contracting executive agency in the bidding or contract documents, has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

I should like to make a brief statement in order that the Senator from Tennessee may understand the theory of the bill. The committee found that much of the testimony presented to it disclosed abuses on the part of some contractors—not all of them; in fact, not even a majority of them, but on the part of some prime contractors—in that they seek contracts with the Federal Government on the assumption that they are going to employ very honorable subcontractors. After the bids of the prime contractors are accepted, sometimes they follow what was described in the hearings as a sort of shakedown practice with respect to subcontractors.

In the Select Committee on Small Business, as well as in the Subcommittee on Small Business of the Committee on Banking and Currency, of which subcommittee I happen to have the honor of being chairman, we have received many complaints from small contractors and small-business men whose only hope of participating in Government contracts is by way of subcontract. They point out that certain groups of prime contractors are taking advantage of them.

Mr. GORE. Will the Senator point out any provision in the bill which covers that matter?

Mr. MORSE. I am coming to that, if the Senator will bear with me while I discuss the theory of the bill and recite abuses which occur.

It is stated on page 8 of the committee report that the procedure sought to be established by this bill is a procedure already followed by many of the major private industrial concerns, such as Ford Motor Co., International Harvester Co., Socony Mobil Oil Co., Inc., General Electric Co., Dow Chemical Co., Sunshine Biscuits, Inc., and a great many other companies I could list.

The highly reliable prime contractors recognize that the Government is entitled to know in advance to whom they proposed to let subcontracts for the performance of the work. Why should the Government know in advance? Because that has a great deal to do with the quality of work which is done. So far as the taxpayers are concerned, they would probably save more money as a result of high quality work than possibly could be saved by the Government's obtaining a lower bid, let us say, through the employment of an inferior subcontractor or subcontractors.

Section 2 (b) seeks to require that the prime contractor, when he makes a bid, or seeks to negotiate a contract—and many of these contracts are negotiated and not bid contracts—shall submit to the Government the names of the subcontractors who are to do a large percentage of the work.

As I said earlier in my speech on the bill, we have this protection on 60 percent of the work involved in the contracts which the Federal Government

lets, which is the prime contract work, but we do not have the protection on the remaining 40 percent of the work.

When the Government lets a prime contract it ought to know who is to do the subcontract work, and ought to have some assurance that the work will be done by a company which does first quality work. Also it should know that it will not have to anticipate that inferior work is likely to result. At present the prime contractor, who, in the first place submitted his figures together with the figures of the subcontractors can go to a small subcontractor and get him to lower the original price arrived at, with the threat that if he does not accept a lower price, the prime contractor will go to X, Y, or Z instead of having the original subcontractor do the work.

Mr. GORE. I should like to make a comment, at that point. Speaking of the period before the awarding of a contract, if there is denied to a prime bidder the opportunity of lowering his costs by thus shopping around, the bid which he must submit will be increased, because he will be deprived of the opportunity of accomplishing the work at lower prices.

Moreover, if the contractor bidding for the prime contract is to be frozen into a mold, so to speak, and required to use specifically named subcontractors, then the law, if the bill becomes a law, will inevitably result in greater cost to the taxpayers.

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

Mr. GORE. I yield to the Senator from West Virginia.

Mr. KILGORE. I do not know where the Senator got that idea.

The bill simply provides that the prime contractor may hunt for and select subcontractors, and then must list those who are to do the work. If the subcontractors are to be changed, their names are to be submitted so the Government will know who they are, and what they are to do. Also, in a section of the bill there is a provision that the amount by which the price has been cut is to be made known if there is any change in cost.

Mr. GORE. The Senator asked me where I got the idea. I should like to reply that I got the idea from the bill, on page 2, line 4, wherein appears the following language: "with whom the prime contractor will contract for the performance of each major category."

If the Government undertakes to force the prime contractor to contract and specify the subcontractors, there will be removed from the contractor the opportunity to submit a bid on the contract at a lower price. If the contractor thinks he can perform the contract at a lower price, he is apt to submit a lower bid.

The Senator says, however, that the bill does not freeze it, but that it requires the prime contractor to list the names of the subcontractors "with whom the prime contractor will contract for the performance of each major category of mechanical specialty work."

Going further, all four Senators who advocate the passage of the bill have said on the floor that all that the prime contractor must do in order to substitute another subcontractor than the one listed is to obtain the approval of the Government. That is the second fault, it appears to me, in the bill, because it puts the Government in the position of approving or disapproving subcontractors for mechanical specialty work.

Mr. MORSE. Mr. President, when I can obtain recognition, I shall refer to that point.

Mr. GORE. Mr. President, why should we place the United States Government in the position of having to approve or disapprove of thousands of subcontractors who are qualified to do mechanical specialty work?

Mr. KILGORE. Mr. President——

Mr. MORSE. Mr. President——

Mr. GORE. Mr. President, I yield first to the chairman of the committee.

Mr. KILGORE. Mr. President, the only point I wish to make is that the statement the Senator from Tennessee has made is somewhat misleading. In that connection, I wish to quote from the bill, beginning on page 3:

> If the prime contractor submits—

That is to say, in case a change is necessary—

> to the contracting executive agency in writing the name of the substitute contractor and such information as the contracting executive agency may require as to any change in cost—

It is done only on request of the executive agency—

> to the prime contractor involved in the proposed change in contractors; and (2) the use of such substitute contractor is permitted in writing by the contracting executive agency.

Mr. GORE. By reading from the bill, the Senator from West Virginia confirms what I said.

Mr. KILGORE. No, I do not. The prime contractors furnish the information only. The use of the word "will" is bad. The word is not "shall"; it is "will".

Let me say a few words about the contracting business: The prime contractor or general contractor makes his bid. If things are operating on a normal schedule and if the subcontractor is trustworthy and responsible, he submits his bid. If and when his bid is accepted, the prime contractor makes his contract with the subcontractor.

So the use of the word "will" does not mean that the Government will select the subcontractor. It means that the contractor will tell the Government agency with which subcontractor he will, if awarded the contract, make the subcontract. In other words, the subcontractor will not be selected from a list by the Government, or anything of the sort.

Mr. GORE. Does the bill in the first instance give the Government the right of approval or disapproval of the subcontractors listed by the prime contractor?

Mr. KILGORE. In all Government contracts there is always a provision for the right to reject any general contractor who is not responsible.

Mr. GORE. Does the Senator from West Virginia mean that in one instance the Government would require that the subcontractor be of recognized competency, whereas in the other instant there would not be such a requirement?

Mr. KILGORE. Oh, no.

Mr. GORE. Did not the Senator from West Virginia say——

Mr. KILGORE. I ask the Senator from Tennessee to wait a minute, please. He will not let me finish my statement, and I object to having my words taken out of context.

Mr. GORE. Very well.

Mr. KILGORE. It may seem funny to the Senator from Tennessee, but it is not funny to me, because I do know a little about the contracting business, whereas apparently the Senator from Tennessee does not.

Mr. GORE. I acknowledge my incompetency in that field. But I have pointed to the language of the bill, and I have quoted the Senator's own words. I now yield to him, to explain them.

Mr. KILGORE. I should like to have the Senator from Tennessee yield to me for a minute or two, without interruption.

Mr. GORE. Very well, I will.

Mr. KILGORE. I think the whole situation is being completely and utterly misinterpreted. Apparently the Senator from Tennessee thinks the Government would approve a list of subcontractors submitted by the general contractor, and would say to the general contractor, "You are to select your subcontractors from this list." However, such an understanding of the bill is utterly incorrect.

Under the provisions of the bill, the prime contractors may select any subcontractors they wish, whereas the Senator from Tennessee assumes that the subcontractors would have to be selected from a special list.

However, the prime contractors should use responsible and capable subcontractors, since the taxpayers pay for the buildings and really own them. The executive agencies do not own the buildings. So the taxpayers are the ones I am trying to protect. The taxpayers—the constituents of the Senator from Tennessee and my constituents—are the ones who pay for the buildings and own them; and I want the taxpayers to receive some protection, in the way of honest work.

Furthermore, I wish the subcontractors to be encouraged to make responsible bids with which they can comply. I wish them to be encouraged by being protected against unfair practices.

I have seen some of the practices which are engaged in by general contractors; and all those in the business admit that abuses do develop. There are rules against it, but some contractors do not obey the rules. For instance, the Institute of Architects has rules against it; and their principal consultant, who is one of the leading architects in the United States, admits that such practices exist, and says the enactment of the bill is badly needed.

The provision of the bill follow the rule that is followed by the Department of Defense in the case of all negotiated contracts on cost-plus-fixed-fee contracts. Therefore, why should we make fish of one and fowl of the other?

Of course possibly—and I do not say generally; please do not misunderstand or misinterpret me—there are general contractors who are "gyppers," as that expression is used in the trade, so that every once in a while the Government will get a "gyp" job. When the Government gets one, it costs the taxpayers a great deal of money, as, for instance, when the prime contractor selects a subcontractor who does not have the necessary equipment. Of course, some of the jobs require a great deal of equipment. Or perhaps the prime contractor will select a subcontractor who does have the necessary engineering skill or ability or the personnel who have the required skills. After all, contracts for technical construction—I am not referring to the others—require trained personnel with a great deal of skill and ability and experience.

However, if a subcontractor who does not have trained personnel is used for a large job, his work will not be satisfactory—although he will perform satisfactorily in the case of a smaller contract for instance, one involving a switchboard, such as the Senator from Tennessee has mentioned. That would be different, and no one would object to the use of such a subcontractor for work of that sort.

But the situation is different in the case of a general electrical contract for a building or a general heating and plumbing contract, or a general air-conditioning contract.

The general contractor has the responsibility of selecting competent subcontractors. Competent subcontractors are necessary, in the interest of the Government; for if incompetent subcontractors are used and if the job "goes bad," the Government is confronted with a considerable loss. For instance, if defective material is used, a considerable loss to the Government may result. I remember one job on which, instead of using cast-iron hangers for the water lines and the sewers in a certain public building, the subcontractor used straps. The Senator from Michigan [Mr. McNAMARA], who now is the Presiding Officer of the Senate, knows how much a subcontractor would save by using such straps, in place of cast-iron hangers. Since the straps were used, the result was that all the ceilings in the building had to be taken down, and every strap had to be replaced by a cast-iron hanger; but that did not happen until about 10 years after the building was constructed, and by that time the general contractor had gone out of the picture, and could not be held responsible. The result was that the Government had to foot the bill, which came to a considerable amount of money.

Mr. GORE. Mr. President, will the Senator from West Virginia consider page 2, section 2 (b) of the bill, and tell me whether the Government will or will not approve the subcontractors listed by the prime contractor? I refer to the subcontractors "with whom the prime contractor will contract for the performance of each major category of mechanical specialty work."

Mr. KILGORE. But that is not the way it is done.

Mr. GORE. I am asking whether it will be done that way under the bill.

Mr. KILGORE. That is not the way it would be done in the contracting game.

Mr. GORE. I am referring to the provisions of the bill, not to the contracting game.

Mr. KILGORE. I am referring to the bill in general and to the contracting practice in the field with which the bill deals. In such a case, the contracting Government agency would not reject the subcontractor. Instead, the Government agency would simply say to the prime contractor, "You are not the lowest responsible bidder; therefore we are going to give the contract to the lowest responsible bidder who employs responsible subcontractors."

Mr. GORE. Is the Senator's answer "No" to the question as to whether the subcontractor listed by the prime contractor is neither approved nor disapproved in the first instance?

Mr. KILGORE. They are merely listed. If they are not satisfactory, of course, the prime contractor's bid can be rejected on the ground that he is not a responsible contractor.

Mr. GORE. I return to the statement which I made a few moments earlier, to which the junior Senator from Minnesota [Mr. HUMPHREY] objected. I stated that in the first instance the Government does not approve or disapprove the listed subcontractor. Then suddenly we talk about protection. The Government must have protection from these wily subcontractors. Then the Government must approve the substitution of a subcontractor for a subcontractor who was not approved in the first place.

Mr. KILGORE. The Senator is again very materially misstating what is provided by the bill.

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

Mr. GORE. I yield.

Mr. McNAMARA. The justification for the proposed legislation lies in the point just mentioned. Suppose a subcontractor for electrical work goes to the expense of figuring for the United States Government a job which he expects to obtain through a general contractor. In some cases this operation involves a considerable expense, because it is necessary to employ engineers and estimators, and pay for the travel and subsistence of those engaged in making the estimate for the United States Government. Such a subcontractor is entitled to the kind of protection provided in the bill, because he has invested his money, and I think the Government owes him some consideration at that point.

Under the terms of the bill, the general contractor would not be entitled to use the price obtained at a considerable expense and accepted as the lowest responsible bid available for that portion of the work, and then have the right, as under the existing system, of peddling that contract, regardless of the fact that the original subcontractor has been accepted as the lowest bidder and a substantially qualified contractor. If such a subcontractor has been accepted as a qualified bidder, submitting the lowest bid among many bidders, and having invested his money into the project in order to attain this position, I submit that it should not be easy to remove him from that position. In a sense, he has a vested right, for which he has paid.

That is all there is to it. I think the Senator will agree that a subcontractor who has invested his money to get into this position should not be recklessly thrown out. That is all that is involved.

COMMISSION ON GOVERNMENT SECURITY—CONFERENCE REPORT

Mr. HUMPHREY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 157) establishing a Commission on Government Security. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

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

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

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HUMPHREY. Mr. President, for the information of the Senate, let me state that the only change made in the conference was with respect to the date of the final submission of the report. The House conferees receded from all their positions except that with respect to the date for final submission of the report. It was set at December 31, 1956.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

POLICY AND PROCEDURE IN CONNECTION WITH CONSTRUCTION CONTRACTS

The Senate resumed the consideration of the bill (S. 1644) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

Mr. GORE. Mr. President, I now yield to the senior Senator from Oregon [Mr. MORSE], who had not completed his statement a few moments ago.

Mr. MORSE. Mr. President, I think I will take the floor in my own right, to answer the arguments of the Senator from Tennessee.

Mr. GORE. Mr. President, this, of course, is not a major bill, and I shall not press my opposition to the point of suggesting the absence of a quorum or demanding a yea-and-nay vote. I have expressed my doubts about the proposed legislation and my opposition to it. If Senators who are present can receive any benefit from the discussion, they are welcome to it. Each one can take his own position.

I believe that the proposed legislation would be unwise. If it were effective it would cost the taxpayers a great deal of money. If it were effective it would place the Government in the unwise position of dissipating the responsibility of the contractor. In my opinion it would place an intolerable administrative burden upon the agencies of Government. Moreover, it would place them in the unenviable position of having to approve or disapprove, and to choose among the thousands of contractors who are qualified to perform specialty mechanical work.

Furthermore, if this is a wise and just provision, I do not know why we should limit its benefits to mechanical specialty work. It is special legislation, which I think it would be unwise for the Senate to approve.

Mr. MORSE. Mr. President, I shall speak very briefly on the bill, because it seems to me that the speeches made earlier by the Senator from West Virginia [Mr. KILGORE], the Senator from Alabama [Mr. SPARKMAN], the Senator from North Dakota [Mr. LANGER], and other Senators in support of the bill really answer the objections raised by my friend from Tennessee [Mr. GORE].

Again, I point out that the bill is the result of approximately 3 years' work on the part of the Judiciary Committee.

The bill is the result of very extensive hearings conducted by the Senator from West Virginia [Mr. KILGORE], at which all segments of the construction industry had an opportunity to testify and present evidence on this subject.

We find from the record that the great construction and industrial companies of the United States are already following the procedure which we advocate in the proposed legislation. We highly commend that procedure as a check against practices on the part of a very small group of prime contractors who tend to follow "gyp" and unethical practices in their dealings with subcontractors.

In addition to the paragraphs from the report upon which I commented earlier in the day, I invite attention to the following paragraphs from page 9 of the committee report:

The committee believes that the proposed legislation will improve the contracting procedures of the Federal Government in letting lump-sum construction and hence to enable the Federal Government to obtain superior workmanship and better materials for each tax dollar expended and to obtain these benefits for less tax dollars.

Incidental benefits, of course, will accrue to the general contractors and to the mechanical specialty contractors and to their employees. No one conceivably can be injured by the legislation except possibly the unethical contractor, be he a general or a mechanical specialty contractor. Accordingly, the overall effect of the bill clearly is in the public interest.

The proposed legislation should eliminate altogether or at least materially ameliorate the chaotic condition resulting from last minute submission of sub-bids which exists under present procedure. When he knows there will be no shopping by himself or his competitors the prime contractor can secure for himself the benefit of having firm mechanical sub-bids a reasonable time in advance of his submission of the general bid. The Government, of course, will receive the benefit of active open competition for the mechanical subcontracts and the low competitive final price for such work as reflected in the prime bid.

Moreover, the proposed legislation will eliminate the present condition under which the ethical general contractor who refuses to indulge in bid-shopping is at a competitive disadvantage with his competitors who do engage in this practice.

Those are the objectives of the bill.

I believe that much of the argument of the Senator from Tennessee [Mr. GORE] is to the effect that, if those are the objectives, the bill would not accomplish the objectives. To that conclusion of the Senator from Tennessee I take exception, and I now invite attention to the pertinent language of the bill. I shall seek to take the Senate through the operation contemplated by the language of the bill, with respect to the letting of contracts in the future, if the bill should become a law.

Again I refer to subsection (b) of section 2, on page 2 of the bill:

(b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor with whom the prime contractor will contract for the performance of each major category of mechanical specialty work involved which may have been listed by the contracting executive agency in the bidding or contract documents, has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

Let us take the operative features involved in letting a contract, either by negotiation or by bid. Let us take three general contractors, A, B, and C. Let us assume by way of hypothesis that two of them are very reliable contractors, who believe in being fair to subcontractors, and that 1 of the 3 is a contractor who follows "gyp" practices.

Under existing procedures, A, B, and C must find out from subcontractors what the cost will be to them so far as the subcontract features of a project are concerned. They go to the subcontractors, or small-business men, in their respective communities, and get their prices. They submit a figure to the Federal Government, on the basis of the prices offered to them by the small-business men in their communities. On the basis of the respective figures submitted, the Government agency concerned negotiates a contract with one of the prime or general contractors.

Let us assume in this hypothetical case that the contract is let to A, A being a business firm which adheres to the kind of subcontracting practices followed by the recognized firms listed on page 8 of the report. They are the practices which we seek to have established by the proposed legislation. The firms are such companies as Ford Motor Co., International Harvester Co., Socony Mobil Oil Co., General Electric, Dow Chemical, Sunshine Biscuits, and so forth.

A is the type of prime contractor who keeps faith with subcontractors, and he lets the subcontracts on the basis of the figures the subcontractors offered when he was in the process of negotiating with the Government in the first instance.

Small-business men who appear before committees point out that when they can rely upon that kind of procedure, the subcontractors do not become guilty of what the Tax Court referred to in the Ring Construction Corp. case. The court said that present bidding procedures cause the subcontractor submitting a bid "to bid so high that he, the subcontractor, can still come down in his prices and get the job."

In other words, under the present procedure, a subcontractor puts himself in such a position that, when he is dealing, not with a prime contractor like A or B in my hypothetical case, but a "gyp" operator, such as C in my hypothetical case, he makes his figures high, knowing full well that unless he does so he will not get the contract finally, because C will come around and shake him down for a lower figure, on the threat that if he does not lower his figure C will go somewhere else and try to get a lower figure.

Let us not forget that when a contract is let to a prime contractor like C, the taxpayers do not save anything. Anything C is able to get by a shakedown goes into his pocket, not into the Treasury of the United States. It is not a saving to the taxpayers of the United States.

I am not a member of the committee, but I am proud to commend the Judiciary Committee for long and arduous and very efficient work in the preparation of the bill. What the committee is seeking is the enactment of legislation which will provide some inhibitions and checks upon the kind of contractor I have described as Contractor C in my hypothetical case.

Let us go back to the contract which has been let to A. A will keep faith with the subcontractors, because he has obtained from them in the first instance good-faith bids, and he has obtained his contract from the Federal Government on the basis of the prices given to him by the subcontractors. He proceeds to make his profit on the basis of the figures he took into account when he submitted his bid or negotiated his contract with the Government in the first instance.

The section of the bill I have read will require that, before a contract is let by the Federal Government under the law, the prime contractor must submit the names of the firms which will do the subcontracting for him.

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

Mr. MORSE. I yield.

Mr. GORE. The Senator has referred to protection. If it is protection for the Government to be required to approve the substitution of a subcontractor for the listed subcontractor, then why would it not be protection for the Government to approve or disapprove the subcontractor in the first instance?

Mr. MORSE. I shall be very glad to discuss subsections (f) and (g) a little later. For the present I shall hold attention to the provision in section 2 (b). I wish to explain to the Senate what section 2 (b) seeks to accomplish, and, in my opinion, does accomplish.

Section 2 (b) requires the listing of the subcontractors with whom the prime

contractor proposes to enter into subcontracts. That is not the present procedure. Under the bill, that will be a requirement of law. If the bill shall be enacted into law, no more will the prime contractor conceal from the Federal Government who the subcontractors will be. He must submit, at the time the Government comes to pass upon his bid or upon his proposal for a negotiated contract, the names of those to whom he proposes to let subcontracts.

That is a substantial improvement in the situation from the standpoint of the small-business men. That is a substantial improvement for the subcontractors. The names of the subcontractors will become a matter of record, and the prime contractor obviously will undertake an obligation to go forward with the work on the assumption that the subcontractors listed by him will be the men who will perform the subcontracts.

Subsection 2 (b) of the bill makes it a requirement on the part of the prime contractor to list the subcontractors on whose estimates or on whose bids he, in turn, is making his proposal to the Federal Government for the prime contract.

The Government agency has an opportunity to pass judgment on whether the subcontractors are subcontractors which the agency believes will give the taxpayers of the country high-quality work under the subcontracts. That will result in saving a great deal of money to the taxpayers.

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

Mr. MORSE. I yield.

Mr. GORE. I have no objection whatever to listing the subcontractors. That might result in an advantage, if the Senator or the author of the bill will change the language on page 2, lines 3 and 4, by striking out the words "with whom the prime contractor will contract for the performance of each major category," substituting therefor the words, "from whom he has received the lowest responsible bid for the performance of each major category."

Mr. MORSE. Speaking for myself—I cannot speak for other members of the committee—I would rather tear up the bill than to accept the language suggested by the Senator, because it would destroy the very protection we are trying to give to the small-business man. What we are saying to the prime contractor is, "If you get the contract, you will have to proceed to enter into agreements with the subcontractors whereby you commit yourself to do business with them. You have no right to go to them and say, 'If I get this contract, I will let you do the electrical work, or the heating work, or the plumbing work, if you will lower your prices.' "

He uses their figures as an aid to him in getting a contract from the Federal Government. When he gets the contract, he may say, "I really did not mean I was going to give the subcontract to you, I will give it to you if I can get it at 30 percent or 50 percent off."

Such practices as that are resulting in great injury to small-business firms in various communities in America where prime contracts are let. We are seeking to prevent that situation by this proposed legislation. We are saying, "It is fair to require you to enter into contract agreements with your subcontractors sufficiently firm so that you are willing to abide by them if we let you have the contract. You are going to let subcontracts to the following business firms."

We cannot give the small-business men the protection they deserve until we provide such a requirement in the law. The Senator from Tennessee would require only the listing of names of subcontractors. That would not give any protection to the small-business man.

Mr. GORE. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. GORE. I understood the Senator to be referring to the protection afforded by the bill to the Government.

Mr. MORSE. Both to the Government and to the small-business man.

Mr. GORE. If the Senator thinks there is protection to the Government by the listing of subcontractors, then the amendment which I have suggested would accomplish that result. If, however, the Senator insists that the bill is going to bring about the rigidity which, apparently, he desires, in connection with bidding on Government contracts, then it will cost the taxpayers a great deal of money.

Mr. MORSE. No; it will not cost the taxpayers any more money than it now costs them. They will get higher quality work, because now contracts are let to the prime contractor on the basis of the figures he submits. All we are saying to the prime contractor is, "When you make your estimates of cost you will of course take into account your profits, but you are not going to increase them subsequently by shaking down the small-business men who are at your mercy if you get the contract."

The difficulty is that we are giving prime contractors an economic life and death control over many small subcontractors in their home communities. We are seeking to prevent that by saying, "If you obtain this contract we must know the subcontractors to whom you are giving subcontracts, and the contract must be so firm that the subcontractors cannot be 'shaken down.' "

That will not do any injury to the prime contractor, because he has made his price offer, and it is to be assumed that he has made it on the basis of the estimates of the subcontractors and of making a profit for himself.

Mr. GORE. It does one thing to the prospective prime contractor as a bidder. If the bill is enacted into law and operates as the Senator has just described its operation, it will require rigidity in the submission of bids, and it will limit the possibility of performing the contract at a lower price, and, thereby force all contractors, for all would be affected by the law, to submit to the Government higher bids than would be the case if the bill should not become law.

Mr. MORSE. I have two replies to make to that statement. In the first place, the bill would not work that way at all. Reliable prime contractors and the corporations to whom I have referred and who are listed in the committee report are following, as a matter of business practice, the procedure we seek now to require of all prime contractors.

In the second place, the Senator says it will add rigidity to the law. It will protect the small contractors from the abuses to which they are often subjected. I am all for such rigidity. I think we owe it to the small contractors to require prime contractors to give assurance at the time they enter into a negotiated contract that they will do the so-called specialty work through certain firms. We should know who those firms are in passing judgment on whether they should be allowed to bid, because I think it is important that the subcontractor be known in advance and considered by the contracting agency to be a good subcontractor.

Mr. BENDER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Ohio.

Mr. BENDER. Mr. President, I commend the Senator from Oregon for his clear statement.

The Senator from Tennessee, I am sure, recognizes the fact that the establishments engaged in mechanical trades constitute a substantial segment of the few remaining small independent businesses, and are therefore not in position to underwrite a bid as their larger competitors can do. For that reason when they bid they are not being protected by legislation such as that which we are considering today.

I commend the senior Senator from Oregon for his clear statement of the facts concerning the basic purposes of the bill.

Mr. MORSE. I thank the Senator from Ohio.

Mr. GORE. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield to the Senator from Tennessee.

Mr. GORE. If this proposed legislation be desirable to afford subcontractors this kind of protection, why should its benefits be limited to mechanical-specialty work?

Mr. MORSE. Because it is in purely mechanical-specialty work that we find most of the abuses which we seek to correct.

Mr. GORE. They are certainly not confined to that field.

Mr. MORSE. If we divide this proposed legislation and cover only mechanical-specialty work we shall have eliminated the abuses about which the small-business men have been complaining with reference to Government contracts.

Mr. GORE. When the Senator has finished his remarks, I propose to offer the amendment which I suggested to him and to the author of the bill a few moments ago. I concede that there may be advantages to the Government in the listing of subcontractors from whom the prime contractor has obtained responsible estimates and bids, but I do not at all think it is in the public interest to freeze into the law the special privileges of a particular subcontractor who has been listed by the prime contractor. He may not list the lowest responsible subcontractor. He may list the subcontractor of his choice. What protection would

this bill provide for the competing subcontractor who may have submitted an equally low or lower bid and who may, in fact, be just as competent?

Mr. MORSE. The bill does not have for its objective the requirement that the prime contractor must contract with whatever subcontractor offers the lowest price. The bill covers the situation in which the prime contractor gets the contract. But we seek to protect the subcontractor from the shakedown practices which are engaged in by a small minority of unreliable prime contractors, as the testimony shows.

Now I wish to discuss section 2 (f) of the bill, because I think it must be read in the light of section 2 (b), which I have just discussed. I read from page 3, beginning on line 6:

(f) If a contractor named by the prime contractor under a lump-sum construction contract in accordance with subsection (b) of this section shall fail or refused to perform or complete the work to be performed by him in accordance with the terms of his subbid or subcontract therefor, the prime contractor may engage a substitute or different contractor to perform such work: *Provided*, That he first submits in writing to the contracting executive agency the name of the substitute contractor.

It should be understood that this is the next step. It provides that after the prime contractor has submitted the list of his subcontractors, and has, in effect, certified that the work will be performed by those subcontractors under the contract, he may, under section 2 (f) of the bill, change a subcontractor only if he fails or refuses "to perform or complete the work to be performed by him in accordance with the terms of his sub-bid, or subcontract."

At that point the prime contractor is protected. He can obtain a new subcontractor. He is required, however, to submit his request to substitute a new subcontractor to the contracting agency, which must approve the substitution.

What is sought to be done there? Again, the intention is to protect the quality of work which is to be performed both by the prime contractor and the subcontractor. I think that is a pretty effective check. I do not think many prime contractors will be found who will want to place themselves under the spotlight of public attention under which they will be placed if, in the first place, under section 2 (b), they say to the Federal Government, "We are going to do this work with subcontractor X," and then at a subsequent date say, "We want to substitute Y for X," if they cannot submit to the agency concerned proof that X has refused to perform the contract, or that X cannot perform the contract on the basis of necessary quality.

If X really is a reliable subcontractor, I do not think any prime contractor will be found who under section 2 (f), will try to substitute Y for X.

I think this is a very effective change in practice in protecting small-business men.

Did the Senator from Colorado wish me to yield to him?

Mr. ALLOTT. Mr. President, I wish to address a question to the Senator from Oregon in a few moments, but first I desire to make a few remarks, if he will yield for that purpose.

Mr. MORSE. Yes; I yield.

Mr. ALLOTT. I realize that the bill has been considered carefully by the very able and capable members of the Committee on the Judiciary, and it has also been debated effectively on both sides of the aisle. However, the bill contains, in my opinion, one flaw which renders it, for all substantial purposes, absolutely ineffective.

On page 3, paragraph (f), the bill provides that in the event a subcontractor named by the prime contractor shall fail or refuse to perform his contract, a new subcontractor may be substituted, provided, first, that the prime contractor obtains the consent of the contracting agency, or rather submits in writing to the contracting executive agency the name of the substitute contractor. The prime contractor does not have to have the consent of the executive agency, and I think that is an important point to remember.

Paragraph (g) provides:

If, for any reason—

In that connection, I wish to suggest a way in which the law if the bill becomes law, could be subverted. I assume it is the intent of Congress to prevent laws from being subverted and avoided.

If a contractor not coming within the purview of section 2 (f) should decide for any reason—the bill does not say "any reason of the Government agency"; it says "for any reason"—that he wants to enter into a contract with a subcontractor other than one listed then, by submitting his request in writing to the contracting agency, under subproviso (2), and securing the permission of the agency, he could change the subcontractor at will.

The bill does not specify any standard as to what the reason may be; it simply provides, "if, for any reason."

I call the attention of the Senate to paragraph (b) on page 2, which places this matter on an executory rather than an executed basis. In other words, it provides that "any prime contractor, unless the name of the contractor with whom the prime contractor will contract." It does not provide that at the time the prime contractor contracts or enters his bid, he shall have made a firm contract with the subcontractor. Therefore, he may still be in an executory position so far as the subcontractor is concerned. If the provisions of paragraph (f) do not prevail, he may simply have submitted a bid and have said that X will be the subcontractor on the electrical equipment.

Under the provisions of the bill as it is now written, under paragraph (g), "if, for any reason"—and that "any reason" applies to any reason of anybody; it is not required to be a sufficient reason or a necessary reason, and no provision is made as to who is to decide what is a good reason—the prime contractor could completely subvert, I submit, the purpose of the proposed law.

Therefore, at the proper time, when the Senator from Oregon yields for the purpose, because I do not think I can submit my proposal until the Senator from Oregon has yielded the floor, I propose to offer an amendment to paragraph (g), which I think will strengthen the bill to the point where it will be workable.

Mr. MORSE. I was about to discuss paragraph (g), and I shall be very brief in doing so. The comments by the Senator from Colorado cause me to make a comment on paragraph (g).

I think it is perfectly clear, under section 2 (b), that a contractor is required to submit the names of subcontractors whom he represents are the subcontractors with whom he is making subcontracts. The Government will award him the contract on that representation. That will give the protection to the subcontractors which we seek to accomplish.

In section 2 (f) we protect the prime contractor. If he has a subcontractor who will not perform, or who proposes to do shoddy work, or who lays down on the job, so to speak, the prime contractor can get rid of the subcontractor under the procedure outlined in section 2 (f).

There is no possibility under the bill of the prime contractor being wronged by the bill itself, by reason of failure on the part of a subcontractor.

Now let us go to section 2 (g), which reads:

If, for any reason not specified in subsection (f), a prime contractor under a lump-sum construction contract prefers to have any major category of mechanical specialty work on the project covered by such construction contract as to which he has named a contractor under subsection (b) hereof performed by a contractor other than the one named in accordance with said subsection (b), the prime contractor may engage such substitute contractor if (1) the prime contractor submits to the contracting executive agency in writing the name of the substitute contractor and such information as the contracting executive agency may request—

And I respectfully submit the Senator from Colorado is not giving sufficient weight to that language—

and such information as a contracting executive agency may request as to any change in cost to the prime contractor involved in the proposed change in contractors; and (2) the use of such substitute contractor is permitted in writing by the contracting executive agency.

The provision does not give to the prime contractor the right to engage a substitute subcontractor without any check being placed on him by the contracting agency. The name of the new subcontractor has to be submitted in order to get permission. On the basis of the information required under subsection (g), line 25, the contractor must be able to show he has a good reason for wanting a new subcontractor; certainly not the reason that, by resort to a shakedown practice, he can get a subcontract more cheaply. He would never get the contracting agency to agree to that. The contracting agency would say, "Listen, under the obligations of section 2 (b), you made certain representations. We are not going to let you substitute a subcontractor in order that you may get around the commitments you made under section 2 (b), by using shakedown

practices on subcontractors; but if you have good reason why you should substitute subcontractors, we will let you do so."

That veto power is given to the agency. That is what is needed to protect the small contractors.

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

Mr. MORSE. I yield.

Mr. ALLOTT. I should like to call the Senator's attention to the fact that under paragraph (b) on page 2, the main contractor, or prime contractor, need not have a contract with his subcontractor. My purpose in bringing this matter up at this late hour on this occasion is not a frivolous one, I assure the Senate. The prime contractor need not have a contract with his subcontractor. He has only to state that he will contract with Mr. X, a subcontractor. He does not have to declare that he has a contract with the subcontractor at that time. If he declares his intention to contract, he will fulfill the requirements of subsection (b).

In comparing that situation with the provisions of subsection (g), I feel very definitely that there is a gap in the bill. I am not trying to throttle the bill. I am not trying to whittle it to pieces. I simply see a big gap now existing which is available to persons if they wish to take advantage of it.

While the bill provides that the contractor must submit his reasons in writing, there is no criterion set up as to who is to determine what those reasons shall be. As the bill is written, it says for any reason. I would interpret that as meaning not a spurious reason. But the bill states it can be for any reason. Under that language a contractor could say, "I was going to contract with Mr. X, but Mr. X and I had a fuss over the job on the turnpike. I do not want anything more to do with him. Therefore, I do not want to work with him." That would be a good reason. He could make that statement; it would be a good reason, under the bill as it is written; and I should think the Government agency would be required to change the commitment relating to a subcontractor.

I therefore suggest and offer an amendment, that on page 3, line 15, after the word "reason," the following words be inserted: "as determined necessary by the respective contracting agencies and."

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

Mr. ALLOTT. I am very happy to yield.

Mr. MORSE. I think that is a very sound amendment. I cannot speak for the committee, but I think that language should be added.

Mr. GORE. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. GORE. Will the Senator from Colorado read lines 15 and 16 as they would read if the amendment offered by him were agreed to?

Mr. ALLOTT. I shall be very happy to:

(g) If, for any reason as determined necessary by the respective contracting agencies and not specified in subsection (f), a prime contractor under a lump-sum construction contract.

And so forth.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. ALLOTT. I yield.

Mr. GORE. Does the Senator refer to the governmental agency with which a contract is made as the contracting agency?

Mr. ALLOTT. Yes.

Mr. GORE. Would not the enactment of the bill, with the amendment which the Senator has offered, be more restrictive on the part of the Government, bring about greater rigidity in the bidding process, place a further limitation on competitive bidding, and to that extent also place upon the Government a still greater administrative burden by having to pass judgment upon the reasons for which the prime contractor desired to substitute a different subcontractor?

Mr. ALLOTT. The Senator from Tennessee has asked several questions, and I shall answer them if I can remember them all. First of all, I assume that if the Senate is going to pass a bill, it desires to pass one which will not be subverted. The intention of the amendment is really to avoid such subversion. Subparagraph (f) within itself gives only one reason for the substitution of a contractor. Subsection (g), in my opinion, leaves the bill wide open so that its purposes can be subverted, and the Government really be taken advantage of in many respects, as I look at it.

Mr. KILGORE. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I am very happy to yield.

Mr. KILGORE. The committee tried to take care of that in the bill itself by having reference to subparagraph (b) (1) in subsection (g), requiring contractors to furnish the information to the agency in writing. However, I may say to the Senator from Colorado I think his suggested amendment does not add to the rigidity of the bill, but it does certainly clarify matters in advance. For that reason I feel it is a very wise amendment.

Mr. ALLOTT. I thank the Senator from West Virginia.

Did I answer the question of the Senator from Tennessee before I yielded to the Senator from West Virginia?

Mr. GORE. No, the Senator did not.

Mr. ALLOTT. The Senator from Tennessee had asked me one question which I had not answered. He had asked me whether the amendment would not require greater effort on the part of a contracting department or agency. I will say frankly that the language would require greater effort. The answer is "yes." It would mean that if a chief or prime contractor wishes to change a subcontractor named in a list he had submitted with his bid, it would be up to him to give a valid and necessary reason for making the change, if the amendment which I have offered were to be adopted.

Mr. President, I offer my amendment and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Colorado.

The CHIEF CLERK. It is proposed on page 3, line 15, after the word "reason", to insert the words "as determined necessary by the respective contracting agencies and", so that line 15 would read:

(g) If, for any reason as determined necessary by the respective contracting agencies and not specified in subsection (f).

Mr. KILGORE. Mr. President, I think the committee would like to accept the amendment and let it go with the bill, because I think it is a clarifying amendment. I do not think it makes the bill more restrictive, but would merely clarify the situation in advance, and would give the contracting agency more advanced notice.

Mr. GORE. Mr. President, adoption of the amendment would, in my opinion, make the bill worse, not better. The amendment would aggravate the faults of the bill about which I have already expressed myself at some length. The amendment certainly would place—as has been admitted by the author of the amendment—more administrative burdens upon the contracting agencies of the Government. The amendment would give more special privilege to the particular subcontractor who, for reasons entirely personal to the prime contractor, had been listed. The amendment would make it more difficult for subcontractors to bid and to seek work on a competitive basis. In my opinion, the amendment would make the bids submitted to the Government for prime contracts larger in amount. The bill already has that basic fault and the amendment would to a small degree increase it. Therefore, I oppose the amendment.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ALLOTT].

The amendment was agreed to.

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

Mr. GORE. Mr. President, to the committee amendment on page 2, in line 3, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Tennessee to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 2, in line 3, it is proposed to strike out the words "with whom the prime contractor will contract" and to insert "from which the prime contractor has received the lowest responsible bid."

Mr. GORE. Mr. President, this amendment to the committee amendment would provide the Government with all the protection which the advocates of the bill have claimed would flow to the Government from enactment of the bill as it now stands. If there is advantage to the Government in the listing by a prime contractor of the subcontractors from whom he has received responsible bids—and I concede there is some advantage in that—then this amendment to

the committee amendment would clearly bring those benefits to the Government. But in the absence of the adoption of this amendment or of another amendment with similar effect, section 2 (b), particularly with the adoption of the amendment offered by the junior Senator from Colorado [Mr. ALLOTT] would place upon competitive bidding, restrictions which would result in the submission of higher bids to the Government.

The only arguments which I have thought valid in behalf of the bill are those that protection to the Government will be provided by the listing of subcontractors. I acknowledge and concede that, and I offer the amendment to the committee amendment in order to bring the bill within that intent, and to limit its effect and application to that exent.

Mr. KILGORE. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. Yes; I yield.

Mr. KILGORE. Again, I say I was once a contractor, although that was a long time ago.

Mr. GORE. I recognize the Senator's competence in that field.

Mr. KILGORE. Does the Senator from Tennessee realize that the contractor's very existence in business depends upon his being able to underbid his competitors and to perform satisfactory work?

For the moment let us forget any talk about adding to the amount of the bids. What I have just said applies both to the prime contractor and to the subcontractors. Until a prime contractor or a subcontractor reaches a situation in which he is sure he has the contract "sewed up," so to speak, he is going to bid the lowest that he can. That situation has existed in the coal industry and in other industries.

So I am not very much worried about prime contractors and subcontractors making artificially high bids to the United States Government. On the other hand, I am anxious to protect a subcontractor who is utterly helpless, but who makes a bona fide, honestly figured bid for a job. That is one of the reasons why I, along with many other Senators, have sponsored this bill.

So let us not forget the facts of life. When contractors or subcontractors bid, they are after jobs. If they feel that they are going to be fairly dealt with and that they are not going to be "bid-shopped," they will make honest bids, bids by means of which they can live up completely to the specifications, and still make a reasonable proft. When we provide for less than that, I feel that the contractors will have to "gyp" either the workmanship or the materials.

In the 82d Congress, a very voluminous bill was introduced. Frankly, some lobbyists have been using that bill ever since, as a weapon. But when we got them on the witness stand in the last session, to have them testify on this bill, we finally forced them to admit that they were talking about another bill, because this bill is based upon what is considered by all the responsible contracting agencies in private industry to be good business practice, and the practice they follow. In fact, some of them even call for a stricter practice.

The bill will permit the "little fellow" to operate. When I say "little fellow," I refer to contractors or subcontractors who are just beginning in the business. Of course, those who are just beginning will not be able to take $400,000 or $500,000 contracts, if they do not have sufficient personnel. But they begin with a small organization, and finally develop into a larger organization.

I well remember when, once, I was compelled to turn down a bid on a Government contract. The matter was thoroughly investigated by the United States Senate. The job was too big for one of the contractors; at that time he did not have sufficient experience or a staff of sufficient size or training. But he began to operate in the business, and finally he proceeded to do larger work, and today he is one of the big contractors in the Southwest. That situation exists all over the country.

If a general contractor is pinned down and questioned in detail about this matter, he will admit, frankly, that a majority of the general contractors have tried their best, through their association, to enforce a code of ethics similar to the one which would be enforced by this bill. Such a code is enforced by the private companies, but cannot now be enforced by the Government.

Witness after witness came upon the stand and said, "We will not bid on Government contracts because of these practices. If a bill like this is enacted, we will go ahead and give honest bids, and do our best."

What is involved may not seem important. But let us consider, for example, a $150,000 plumbing contract on a piece of Government construction. An honest estimate will cost the subcontractor at least $8,000, and perhaps as much as $12,000. If his bid is to be shopped, he will not make an estimate. He will merely make some cubical content guesses and submit them in the hope of obtaining the contract and later shopping around. The purpose of the bill is to prevent such practices. That is why I so gladly accepted the amendment of the Senator from Colorado [Mr. ALLOTT], because, while his amendment did not tighten the bill in any respect, the amendment provides for plenty of notice, so that no general contractor or subcontractor will be misled.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee [Mr. GORE] is an amendment to a committee amendment which has already been agreed to. It is not in order under the rule, unless the committee amendment is reconsidered.

Is there objection to the reconsideration of the committee amendment on page 2, beginning in line 3? The Chair hears none; and the vote by which the committee amendment was agreed to is reconsidered.

The question now is on agreeing to the amendment offered by the Senator from Tennessee [Mr. GORE] to the committee amendment on page 2, beginning in line 3.

Mr. GORE. Mr. President, in response to the able junior Senator from West Virginia, let me say that I am aware that this kind of proposal has been before the Congress for 5 or 6 years. To my knowledge, it has not passed the Senate. It is my hope that it will not pass at this time.

I acknowledge that there is some justified complaint on the part of a subcontractor who has spent his money to arrive at an estimate for the performance of a certain part of a contract, whose estimate has been used by the prime contractor in making his bid and obtaining the award of the contract, and who then finds himself, as a subcontractor, in the position of being denied the opportunity to participate in the contract.

Let me say to the Senator from West Virginia that many prudent prime contractors ask more than one subcontractor to submit estimates. The bill does not require the prime contractor to list the names of the subcontractors who submitted the lowest responsible bids. In fact, the prime contractor may have asked more than two subcontractors to submit estimates.

It is then within the privilege of the prime contractor, under the terms of the bill, to list not only any one of the three, but any other subcontractor, whether the prime contractor has received a bid from such subcontractor or not.

The junior Senator from Tennessee is willing to vote for bills to provide all needed and legitimate protection for American citizens, but I submit that this is special interest legislation. This bill would provide special protection to the subcontractor who has been listed by the prime contractor, if the subcontractor is a subcontractor in the mechanical specialty field. If this be a good principle, then I see no justification for limiting it to mechanical specialty work. I think it is basically a bad principle.

As I have said, I acknowledge that there is some benefit from the listing of subcontractors from whom the prime contractor has received the lowest responsible bids. The bill does not provide for that. The amendment to the committee amendment which I have offered would provide such protection. It would not give to the listed subcontractor a vested interest, which, in the opinion of the junior Senator from Tennessee, the committee amendment would give to such listed subcontractor.

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

Mr. GORE. I yield.

Mr. KILGORE. There is no vested interest involved, because the later sections of the bill give the prime contractor the right, for good reason, to throw out the bid of the subcontractor. The prime contractor risks his bid on the basis of the total of the other bids; and if he is willing to assume such risk, the Government should also be willing to assume it. But the prime contractor should not be able to substitute a third-rate bidder for a first-rate bidder, by a later substitution, which he now can make, in the absence of legislation such as is proposed here. Under the present practice, the prime contractor does not list anyone. He merely says, "I will do the job." He

submits a bid, and then he "guesses" the other fellow out.

Mr. President, I shall not argue any further. I wish to have the record clear.

Mr. GORE. I join the Senator in that desire.

The Senator from West Virginia has said that the prime contractor may later substitute a different subcontractor from the one he has listed, but he has at least made a statement to the Government, if it is not a covenant, that he will contract with the listed subcontractor.

Mr. KILGORE. He has not made a covenant with the subcontractor. He has stated to the Government, "If I do this job, this subcontractor will be my subcontractor."

Mr. GORE. That is correct.

Mr. KILGORE. The Government relies upon that statement in accepting his bid as a responsible prime contractor. If he changes the subcontractor, certainly the agency which accepted the definition in the first instance should be able to have some control over who may be substituted.

Mr. GORE. Mr. President, that brings up another question. Section 2 (b) does not give to the Government any special right or power to approve or disapprove the listed subcontractor. Nor does it place any requirement whatsoever upon the prime contractor with respect to the selection of a subcontractor. Later, although the prime contractor may have said to the Government that he will contract with the specified subcontractor, he may wish to change. The Senator treats that question as though he could do it lightly.

With the amendment of the junior Senator from Colorado, the Government must not only approve the substitution, but it must approve the reasons for the substitution. I say that that would place an undue burden upon the Government. The Government would have to inquire into the validity of the reasons. The Government would also have to inquire into the competency or incompetency of the subcontractor who may be suggested.

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

Mr. GORE. I shall be glad to yield in a moment.

Let me say to the Senator from West Virginia that there are thousands of subcontractors in the country who are qualified to do mechanical specialty work. So far as I know, the Government of the United States maintains no selected list of such subcontractors, and there is no blacklisting of the incompetents or the "gyps." There is no preferred list of the good ones. I do not know how the Government could pass upon the competency or incompetency of a subcontractor without acquiring some knowledge about him, or how it could pass upon the validity of the reasons submitted by the prime contractor for changing a subcontractor without making some inquiry along that line. I think that would involve an administrative burden which would be costly to the taxpayers.

Mr. KILGORE. I should like to bring the Senator back on the track for a moment. With respect to this point, the Senator stated that I suggested lightly a contractor could do something. Is it lightly, when a person must give a reason? I do not wish the Senator to misquote me.

Mr. GORE. I apologize to the Senator if I misquoted him.

Mr. KILGORE. I merely wish to explain my position. I do not want to be misquoted. I yield the floor.

Mr. GORE. I certainly had no intention of misquoting the Senator. I did not quote him as saying it lightly. I believe I said that the Senator treated it lightly. For whatever incorrectness there may have been, I apologize to the Senator.

I say the contractor could not make a substitution without the approval of the Government, both as to reasons and as to competency of the subcontractor. I make the point that that would be a costly burden upon the Government. Perhaps even more seriously, it would place the Government in a compromised position, when later it insisted upon performance of the contract by the prime contractor. If the work of the subcontractor who had been approved by the Government was faulty, the prime contractor, upon complaint to him by the Government, could very well say, and probably would say, "The Government must share this responsibility, because I submitted the name of this subcontractor to the Government, and the Government approved the selection and substitution of this subcontractor."

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. HOLLAND. I had hoped that the Senators taking part in the debate would get down to a consideration of subsection (b) of section 4.

Mr. GORE. At what page in the bill is that section found?

Mr. HOLLAND. It is on page 6 of the bill.

It appears to me that the addition of subsection (b) of section 4 is in the nature of an afterthought and constitutes a sort of bear trap for a responsible prime contractor, in that it specifically provides that the acceptance of the bid or the awarding of the contract "shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named."

It appears to me that that means that if a prime contractor goes forth to get several bids on contract for, let us say, electrical work or for plumbing work or for air conditioning, and he takes the lowest of those bids and inserts the name of that lowest bidder in his bid as the one to whom he would award that particular subcontract, if his bid is accepted, without any reason required by the bill, the executive agency may say, "Yes; we have accepted your contract. It is the lowest contract, and we are glad to accept it. However, we are not going to permit you to use that particular subcontractor." No reason is required to be given. The bill merely provides that the acceptance of a bid or the awarding of a contract "shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named."

It seems to me that provision constitutes a very grave objection to the measure, because it leaves to the discretion—or perhaps the indiscretion—of the head of any executive agency to just about wreck the successful bidder for the prime contract, for any reason, whether substantial or imagined, which is acceptable to the head of that executive agency. That head of the agency need merely say, "We have not approved the subcontractor. Just because you inserted his name, does not mean that we have approved him. Just because you have relied upon his low bid, which may be materially lower than the bid submitted by others you have invited to bid, does not mean we have accepted him, and we are not going to accept him."

If for some reason, real or imagined, that subcontractor is not acceptable to the Government agency, the prime contractor, who accepted the low bid of that successful applicant for the subcontract finds himself suddenly without a subcontractor and with the necessity of getting another subcontractor, possibly at a much higher price, and almost certainly one at a higher price if in the first instance he selected the lowest bidder from among the applicants whom he had asked to bid on the subcontract.

Therefore, it seems to the Senator from Florida—and he is not trying to be captious about it, but is merely inquiring about the wording of the proposed act—that there is an invitation contained in that provision to wreck the large contractors by heads of agencies who, for one reason or another, may not like the large contractors who are successful, or may not like the subcontractor who, after having been successful, is assigned as the one who would handle a particular subcontract in the event the prime contractor gets the award.

I should like to ask the distinguished Senator from Tennessee his reaction to that portion of the measure to which I have referred. I may say that I shall be very glad to accede to be interrogated by the Senator from West Virginia——

Mr. KILGORE. The Senator has evidently not read the entire bill.

Mr. HOLLAND. The Senator from West Virginia is not the only Senator on the floor who is capable of reading. Neither is he the only one who tries conscientiously to get to the bottom of proposed legislation. It is very evident that this particular provision was added as an afterthought, and that it was not added by the introducers or the drafters of the bill. The Senator from Florida believes he is entirely within his rights to ask a very respectful question. He will gladly accede to be interrogated by the distinguished Senator from West Virginia if it is possible under the rules. The Senator from Florida has asked a question of the distinguished Senator from Tennesse in good humor, because in his opinion this provision is a major defect in the bill.

I should like to invite an answer from the distinguished Senator from Tennessee.

Mr. GORE. Mr. President, section 4 (b) of the bill, to which the Senator from

Florida has referred, and about which he inquiries, is a provision to which the junior Senator from Tennessee expects later to address some remarks and perhaps offer an amentment.

I agree with the interpretation of the senior Senator from Florida. I will go further and say that I believe the construction the Senator from Florida has placed on that subsection would apply equally to the substitution of a contractor, if for reason of inability, death, or other reason, a subcontractor listed by the prime contractor could not perform the subcontract. The prime contractor would be responsible to the Government because of the acceptance of the bid which he had submitted.

Mr. HOLLAND. To advert to the original question addressed to subsection (b) of section 4, does not the Senator from Tennessee believe that the portion of subsection (b) mentioned by the Senator from Florida in his question constitutes a fatal defect in the bill if it continues in the bill in its present form?

Mr. GORE. I do indeed. I shall gladly yield to the Senator from West Virginia now, if he desires me to do so.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Senator from Tennessee be allowed to yield to the Senator from West Virginia, in order that the Senator from West Virginia may address questions to the Senator from Florida, and that the Senator from Florida may be allowed to answer the questions.

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

Mr. KILGORE. Mr. President, I think section 2 (b), page 2, clarifies the whole situation. The only thing a prime contractor has to do is to list his subcontractors on specialty work. He must list in connection with his bid the subcontractors who are going to do the electrical work, plumbing work, and so forth.

It is provided that if the subcontractor, after having bid and being notified of acceptance, finds that he cannot proceed with the work, the prime contractor can get another subcontractor. All he has to do is to submit in writing to the contracting agency the name of the substitute.

If, for any reason, the prime contractor changes his subcontractor, he must submit the matter, not for approval, but for permission for the change. Here is a subcontractor ready, willing, and able to perform. He has been checked by the Government agency. All of a sudden, without any fault of his own, he finds he cannot go forward with the contract. The contracting agency must be notified.

Mr. HOLLAND. Before the Senator goes further, I wish to say that I fully and completely agree with him in his analysis of the earlier section of the bill.

Mr. KILGORE. Because of the fact that it does not in any way include a guaranty by the Government of performance of a subcontractor, section 2 (b) was put into the bill. It is merely permissive, and it does not in any way put the Government in any privity of contract with the prime contractor or with subcontractors. It merely says, "If you want to change, we have no objection."

Mr. HOLLAND. Replying to the distinguished Senator from West Virginia, I can go with him part of the way, and I can go with him entirely in his construction of the early section of the bill; but in his construction of section 4 of the bill, I do not agree with him.

In the first place, section 4 does not say that the acceptance of the bid and the giving of the award to the prime contractor do not create a privity between the Government and the prime contractor. On the contrary, it would be like saying the Government was joking all the time and did not intend to let any contract.

Mr. KILGORE. I think the Senator has misquoted me. I said "privity between the Government and the subcontractor." There is no question about the privity of contract between the Government and the prime contractor.

Mr. HOLLAND. The Senator probably used the word inadvertently in his first statement.

If I am correct in my reading and analysis of the bill, section 4 refers entirely to relations between the Government and the subcontractor.

Subsection (a) of section 4 specifically provides, and properly so, that there is no privity of contract between the United States and the subcontractor; meaning that the subcontractor has no direct claim against the United States and has to look to the prime contractor. That is both good law and good commonsense.

Subsection (b) provides—and this is what I think is highly undesirable and unfair:

> Acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor, or awarding a contract to such prime contractor after such acceptance shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named.

And so forth.

I have confined myself to the words which I have read because that is the matter to which I wish to address myself. It seems completely unfair that the Government should have the right to rely in every way upon the identity of the subcontractor and on the fact that he has bid on a reasonable basis, or he could not have been included in the bid of the prime contractor which has been selected as the lowest reasonable bid, and at the same time, or in the next breath, for the Government to say, "We are not bound at all. We do not have to accept this subcontractor who was listed in good faith, though we are accepting the principal bid and making the principal award upon the figures submitted, among others, by the subcontractor whose name is given."

To me, it seems to be an utterly unfair thing for the Government to be able to say, "Yes, we award the prime contract," and in the next breath to say that the Government is not bound to accept the subcontractors, or any of them, whose names were submitted by the prime contractor in his bid as being the ones with whom the prime contractor expected to deal.

That, to me, is simply a lack of reason, a lack of good, sound law, a lack of equity. The biggest objection I have to it is that it puts every person bidding with a Government agency to the knowledge before he bids that he is submitting himself to the whim and caprice of the head of the particular governmental agency, because that head may say, "I do not like this prime contractor. I am going to cut his throat by making him deal with more expensive subcontractors"; or, on the other hand, "I do not like this subcontractor or that one or that one," for one reason or another, not mentioned, but acceptable to the head of the agency. "Therefore, I am going to require that a substitution be made, regardless of the fact that the prime contractor now holding the award may not be at all able to duplicate the price upon which he has agreed to give the subcontract to the person whose name has been submitted."

That is not fair.

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

Mr. HOLLAND. I yield.

Mr. MORSE. I find the argument made by the Senator from Florida to be very persuasive. Unless the committee can reconcile section 4 (b) with section 2 (b), I think section 4 (b) should be stricken from the bill. I should like to have the Senator from Florida follow my statement in this connection, to see if we are speaking from the same premises.

Section 2 (b), as I have defended section 2 (b) earlier in the debate this afternoon, is a section which requires a prime contractor to submit to the contracting agency; that is, the Government department, the names of the subcontractors with whom he proposes to contract. He says, in effect, to the Government agency: "I have X, Y, and Z as subcontractors with whom I intend to contract, if you allow me to make the contract based on the figure I now offer."

It seems to me it is at that point that the Government should raise any objection it might have to X, Y, or Z. The Government should not say to the prime contractor, "All right. We will accept your offer of a contract," and lull the prime contractor into an acceptance of that contract with the Government, thus binding him to all the legal implications which go along with the acceptance of the contract, and then later say to him, under section 4 (b), "But now we are not going to accept subcontractor X. We are not going to let you do this work through X."

The prime contractor could then say, "I told you about X the day I offered the contract, and you did not then raise any objection to X. You accepted my offer on the basis of my promise that I intended to enter into a contract with X."

What we shall be doing for the prime contractor in that situation is to buy a lawsuit for him with X, because I can well imagine that X will try to enter into contractual arrangements with the prime contractor which will be binding if he gets a contract from the contracting agency of the Government.

For the life of me, in the present status of the debate, I do not see what section 4

(b) adds to the bill. It was not in the bill which the original authors submitted. I do not see what it adds to the bill. I think it should be stricken in its entirety, because I do not believe it is at all necessary for the protection of the Government. Certainly it does not protect the subcontractors whom we seek to protect under section 2 (b).

As the Senator from Florida has said, I think section 4 (b) is some kind of boobytrap for the prime contractors, although I hasten to add that it was not intended as such by the committee. But in the present status of the debate, I submit that section 4 (b) is not at all necessary and should be stricken.

Mr. HOLLAND. I thoroughly agree with the conclusions of the Senator from Oregon as to the meaning of subsection (b), and likewise with his recital of what he understands to be the meaning of the earlier section to which he adverted.

It seems to me that this section, if it is allowed to remain in the bill, will submit the whole relationship to the caprice, the bad motive, the indiscretion, or the lack of judgment on the part of the head of a contracting agency to do either of two things, and maybe both of them: Either to crucify a subcontractor or a group of subcontractors; or, by so doing, to crucify a prime contractor. The result, of course, will be to deprive the Government of reasonable bids made by fair men who can do a good job. There simply is no doubt about that.

Mr. GORE. Mr. President, the remarks of the able senior Senator from Florida lead me again to assert my serious doubt that the Government should inject itself into relationships between a prime contractor and the subcontractors thereof. If the Government will confine itself to the awarding of contracts to the lowest responsible bidders, and will then hold the successful bidders rigidly to the performance of the contracts, the public interest will be protected.

I repeat: This is specialty legislation and should not be passed; but if it is to be passed, I ask the Senate to adopt my amendment, which is at the desk.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The question is upon agreeing to the amendment offered by the junior Senator from Tennessee [Mr. GORE] to the committee amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. THURMOND in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment of the junior Senator from Tennessee to the committee amendment.

Mr. MONRONEY. Mr. President, I ask that the amendment be stated again.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, beginning on line 3, to strike out the words "with whom the prime contractor will contract" and insert in lieu thereof the words "from which the prime contractor has received the lowest responsible bid."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 2, beginning on line 2.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. MORSE. Mr. President, I call attention to section 4 (b) on page 6 of the bill. I should like to ask the chairman of the committee to explain to me his reconciliation of section 4 (b) with section 2 (b) of the bill.

It seems to me, unless I am missing some point in the history of the bill, that section 4 (b) in part defeats what is sought to be accomplished by section 2 (b). Under section 2 (b), we seek to require the prime contractor to offer his price to the contracting agency on the basis of his statement that the work that is to be subcontracted will be performed by certain subcontractors. In other words, he promises in effect that he is going to contract with them.

And in section 4 (b) we place the Government in a position where it can say, "but you can't use those subcontractors" after the contract has already been let on the basis of the representation that there would be certain subcontractors.

Mr. KILGORE. As the Senator well knows, the original language of section 4 (b) was:

> Neither acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor or awarding a contract to such prime contractor after such acceptance shall be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named.

At the urgent insistence of government agencies, new language was put in the bill by the committee, which it was stated would clarify the provision in accord with their view. That language was:

> (b) Acceptance by an executive agency of a bid or statement of a prime contractor setting forth the name of a proposed contractor, or awarding a contract to such prime contractor after such acceptance, or permitting or denying the substitution of a contractor in accordance with the provisions of section 2 (g), shall not be construed to be approval or acceptance by the executive agency of the United States Government of any contractor named or substituted, or to relieve the prime contractor of any responsibility for performance of the contract.

Even though the Government could approve a substitute contractor proposed by the prime, it was desired that there be no privity of contract between the subcontractor and the United States Government. The contract would be only between the prime contractor and the subcontractor. That was the sole purpose of the provision, and to further protect the interest of the Government from any possible suits by anyone claiming that the Government should be liable because it permitted a substitution. That is the purpose of this section, to give greater protection to the Government.

Mr. MORSE. I respectfully submit that unless I am missing the point that purpose is covered in section 4 (a), and section 4 (b) is not needed.

Section 4 (a) reads:

> Neither this act nor compliance with the provisions thereof shall be construed to create any privity of contract between the United States Government, or any agency thereof, and any contractor, contracting with the prime contractor under any construction contract, or give any such contractor any cause of action against the United States or any agency thereof arising out of the failure of any person to comply with the provisions of this act.

What more is needed?

Mr. KILGORE. I may say that the committee felt, as did the legal departments of all the agencies, that this additional language was needed. Additional elements were involved, in which the word "acceptance" had been used, such as "acceptance of a subcontractor," and matters of that kind. It was felt that the language in section 4 (b) would cure all the problems anticipated. That was the real purpose of the language.

Mr. MORSE. Mr. President, is the bill still open to amendment? I desire to offer an amendment.

The PRESIDING OFFICER. The Chair announced that the bill has been read the third time. Therefore, unanimous consent will be required, in order to submit an amendment at this time.

Mr. MORSE. Mr. President, I request unanimous consent for that purpose.

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

Mr. KNOWLAND. Mr. President, will the Senator from Oregon state what amendment he intends to submit?

Mr. MORSE. Yes; I desire to move to strike out section 4 (b) of the bill, as now amended.

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

Mr. KILGORE. Mr. President, I should like to ask a question.

Mr. MORSE. Certainly.

Mr. KILGORE. Would the Senator's amendment strike out the part of the bill which was stricken by the committee amendment, and also the committee amendment itself?

Mr. MORSE. Yes; for I do not think either part is needed. I think the Government is protected by section 4 (a) of the bill; I believe that is all that is needed to protect the Government.

I repeat that the difficulty with section 4 (b) is that it cannot be reconciled,

in my opinion, with the theory and purpose of the bill, namely, to protect subcontractors from the few prime contractors who "shop around."

However, having that purpose, the bill as it now stands would require the prime contractors to submit their bids on the basis of bids from certain subcontractors. I think what I propose will require a little more administrative work, but certainly it is proper to require that to be done. I do not think we should require a prime contractor to go to all the work of negotiating with subcontractors and to submit his bid on the basis of the bids of the subcontractors, and then, under section 4 (b), put the Government in such a position that it could say, "But, after all, we will not recognize these subcontractors."

The PRESIDING OFFICER. Is there objection to the amendment of the Senator from Oregon?

Mr. KNOWLAND. Mr. President, first, the question should be whether there is objection to the request of the Senator from Oregon for unanimous consent to submit an amendment at this time, in view of the fact that the bill has already been read the third time.

I am perfectly willing to extend the Senator from Oregon the courtesy of not raising a point of order against the amendment because of the fact that the bill has been read the third time. After all, it perhaps may be that, because of the confusion which then existed in the Chamber, the Senator from Oregon did not hear the announcement regarding the third reading of the bill.

Mr. MORSE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. MORSE. I should like to state how I got into this parliamentary situation. A while ago the Senator from Florida submitted an argument regarding section 4 (b). I believed his point of view to be correct. After all, I am always willing to change an opinion I have previously held, when I believe that in the previous instance I was wrong. I do not believe that the proponents of the bill have answered the argument of the Senator from Florida. I do not believe that section 4 (b) is necessary as a part of the bill, and I think it will create an irreconcilability with the purposes of section 2 (b).

For that reason, I was waiting for the Senator from Florida to offer an amendment. I asked him—as he will say, I am sure—"Are you going to offer the amendment?"

I think he will permit me to state that he advised me that he was opposed to the bill in other respects, and was going to vote against the bill.

At that time the third reading of the bill was announced, and I then found myself in the position of being unable to offer an amendment without obtaining unanimous consent for that purpose.

I still think the Senator from Florida is correct, and I think we should amend the bill by striking out section 4 (b).

Mr. KNOWLAND. Mr. President, I shall not object to the request of the Senator from Oregon for permission to offer an amendment; I merely made the point that first it will be necessary for unanimous consent to be obtained for that purpose, after which the question will be on agreeing to the amendment of the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oregon?

Mr. GORE. Mr. President, reserving the right to object, let me say I shall not object to the request of the Senator from Oregon for unanimous consent to submit his amendment, for I wish the Senate to have full opportunity to work its will on the bill. But I submit that this situation is further evidence of inadequate consideration of the bill, and is, I submit, further evidence that the Senate should not at this time pass the bill.

Having made that statement, Mr. President, I withdraw any opposition to the request of the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oregon that he be permitted to submit an amendment at this time? The Chair hears none, and it is so ordered.

Mr. MORSE. Then, Mr. President, I submit my amendment, namely, on page 6, to strike out all the language of section 4 (b), beginning in line 20, and extending down to and through line 3 on page 7; and also, on page 7, in line 4, to strike out "(c)", and to insert in lieu thereof "(b)."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. KILGORE subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD, just before the vote on the bill, a letter on this measure from William Stanley Parker.

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

BOSTON, MASS., *July 7, 1955.*

Hon. HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

DEAR SENATOR KILGORE: I am glad to learn that the Senate Judiciary Committee has reported S. 1644, about which I have previously written you.

I enclose some comments on the statements from the Atomic Energy Commission, the General Services Administration, and the Department of the Army, which seem to me extremely weak and beside the point.

The real trouble lies in the unsound legalistic attitude taken by the Government in refusing to consider the importance of the subcontractors doing the actual work on the plea that they look to the prime contractor and no one else for performance.

Until this attitude is changed the Federal Government will continue to be the principal factor tending to foster unsound and unethical practices in the construction industry.

Very truly yours,
WILLIAM STANLEY PARKER.

COMMENTS ON S. 1644 BY WILLIAM STANLEY PARKER, F. A. I. A., CONSULTANT ON CONTRACT PROCEDURE TO THE AMERICAN INSTITUTE OF ARCHITECTS, JULY 7, 1955

THE AMERICAN INSTITUTE OF ARCHITECTS,
Washington, D. C.

The Senate Judiciary Committee has reported, with a few very minor amendments, S. 1644, to prescribe policy and procedure in connection with construction contracts made by executive agencies and for other purposes. With the bill it filed a report to which it appended copies of statements in opposition from the Atomic Energy Commission, the General Services Administration, and the Department of the Army.

I desire to comment as follows on the various specific arguments cited in those three statements:

(1) May increase the duties involved in the administration of construction contracts. The Atomic Energy Commission does not assert that it will; if the anticipated benefits to the Government accrue, a speculative possible increase in administration is unimportant.

(2) If mechanical specialty subcontractors are so treated, other trades may request similar treatment. No evidence of such action is known to exist in States where similar listing is used. In Massachusetts, which goes much further in its bidding procedure, requiring naming of the amounts as well as the subbidders, a 1954 amendment extended the list to include other major subtrades.

(3) The Government would seem to be assuming responsibility for performance by a subcontractor it approved. It is clearly stated in section 4 (b) that no such responsibility is being assumed. It is a commonplace in the construction industry that no responsibility for performance is created by approval or acceptance of a subbidder by the architect or owner.

These appear to be the only reasons given by the Atomic Energy Commission for opposing the bill and seem to be of no importance.

(4) The General Services Administration states it has not encountered positive evidence of bid shopping in connection with its contracts. The basic policy of the Government is to refuse to consider the existence of anyone but the prime general contractor. Since it refuses to recognize subcontractors as important elements in the industry, doubtless it is not in a position to encounter positive evidence of how they handle their relations with general contractors. However, it further states that the bill fails to provide any procedure to eliminate the practice of bid shopping as between subcontractors and their subsubcontractors, materialmen, and suppliers. The General Services Administration, therefore, does indicate it is not wholly unaware of the problem the bill is dealing with.

(5) The Secretary of the Army states that the prime contractor should be solely responsible for selection of his subcontractors and cites as a reason the trouble that has been experienced where specialty phases have been let under separate contracts. There is no parallel in such situations. Single top control by the prime contractor is in no way violated by proper selection and approval of his subcontractors. Thousands of architects know this as a fact in the daily practice of their profession.

The Secretary also cites the objections noted by the Atomic Energy Commission, already referred to as of no importance.

(6) The Secretary of the Army finally states that bid-shopping is a matter to be cleaned up by the construction industry. The industry is, with agriculture, one of the two largest industries in the country. It is impossible for such a farflung industry, with no element possible of complete organization, to control all its members without the cooperation of the Federal Government. It is evidence of the constructive desire of the industry to eliminate abuses that the specialty contractors have for years been recommending action in this matter by the Congress.

The Federal Government is the single most important factor in the development of bid-shopping and the practice, in the field of public works, cannot possibly be stopped without the participation of Congress which alone can create sound policies in the han-

dling of contracts on its public works. It is naive buck-passing for a Government department to say the industry should correct this problem.

The Secretary of the Army states the root of the trouble when he states "The Government has always taken the position that it should look only to the general contractor for performance." That is true, and that is the cause of the whole difficulty S. 1644 is dealing with. To say the Government is interested in "performance" but is not interested in the subcontractors that provide 75 to 80 percent of the work seems to me absurd. It is based upon a legalistic attitude toward responsibility rather than upon sound engineering and architectural knowledge of the only valid basis for judging responsibility in a complex industry, the technical know-how and the financial soundness of the contractors and their mechanics who do the actual work.

The PRESIDING OFFICER. The bill previously having been read the third time, the question now is, Shall the bill pass?

The bill was passed.

Senate bill 1644, as passed, is as follows:

Be it enacted, etc., That this act may be cited as the "Federal Construction Contract Act of 1955."

SEC. 2. (a) Each executive agency shall list in the bidding or contract documents relating to each lump-sum construction contract before accepting bids or proposals with respect thereto, each major category of mechanical specialty work involved in the performance thereof.

(b) No executive agency shall award to, or enter into a lump-sum construction contract with, any prime contractor unless the name of the contractor with whom the prime contractor will contract for the performance of each major category of mechanical specialty work involved which may have been listed by the contracting executive agency in the bidding or contract documents, has been specified by the prime contractor in the bid or proposal upon which the contract is awarded or made.

(c) This section shall not prevent any prime contractor from himself performing any major category of mechanical specialty work under a lump-sum construction contract awarded to or undertaken by him if the bid or proposal referred to in subsection (b) of this section specifies that the prime contractor will himself perform such category of the mechanical specialty work.

(d) This section shall not be construed to forbid or prevent any executive agency from awarding separate or several prime or direct lump-sum construction contracts for any one construction project.

(e) No prime contractor under a lump-sum construction contract shall have any major category of mechanical specialty work involved in the performance of such construction contract as listed by the contracting executive agency in the bidding or contract documents, performed by any person other than the person named for the performance of such work in accordance with subsection (b) or (c) of this section, except in accordance with the provisions of subsection (f) or (g) of this section.

(f) If a contractor named by the prime contractor under a lump-sum construction contract in accordance with subsection (b) of this section shall fail or refuse to perform or complete the work to be performed by him in accordance with the terms of his subbid or subcontract therefor, the prime contractor may engage a substitute or different contractor to perform such work: *Provided*, That he first submits in writing to the contracting executive agency the name of the substitute contractor.

(g) If, for any reason as determined necessary by the respective contracting agencies and not specified in subsection (f), a prime contractor under a lump-sum construction contract prefers to have any major category of mechanical specialty work on the project covered by such construction contract as to which he has named a contractor under subsection (b) hereof performed by a contractor other than the one named in accordance with said subsection (b), the prime contractor may engage such substitute contractor if (1) the prime contractor submits to the contracting executive agency in writing the name of the substitute contractor and such information as the contracting executive agency may request as to any change in cost to the prime contractor involved in the proposed change in contractors; and (2) the use of such substitute contractor is permitted in writing by the contracting executive agency.

(h) This act shall not apply to the following construction contracts:

(1) Contracts to be performed outside the continental limits of the United States, which limits shall be deemed to include Alaska.

(2) Contracts in which the aggregate bid or proposal accepted by the contracting executive agency does not exceed $100,000.

(3) Any contract with specific reference to which the head of the contracting executive agency determines that the procedure prescribed herein would result in undue delay and that the public exigency will not admit of such delay.

SEC. 3. For the purposes of this act—

(1) The term "executive agency" means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(2) The term "construction contract" means any contract entered into by any executive agency for the erection, repair, moving, remodeling, modification, or alteration of any building or structure upon real estate intended for shelter or comfort, or for production, processing or travel, including without being limited to, buildings, bridges, tunnels, and highways, but not including aqueducts, reservoirs, dams, irrigation, and regional water supply projects, flood control projects, water power development projects, jetties and breakwaters or the buildings or structures incident to or included in the contract for such excluded projects.

(3) The term "mechanical specialty work" in connection with a construction contract means all plumbing, heating, piping, air-conditioning, refrigerating, ventilating, and electrical work, including but not being limited to the furnishing and installation of sewer, drainage and water supply piping and plumbing, heating, piping, air-conditioning, refrigerating, ventilating, and electrical materials, equipment, and fixtures.

(4) The term "prime contractor" means a person having a direct contractual relationship with an executive agency for the performance of a construction contract.

(5) The term "person" means an individual, corporation, partnership, association, or other organized group of persons. All references to contractor or prime contractor shall include individuals, corporations, partnerships, associations, or other organized groups of persons who are contractors or prime contractors.

(6) The terms "lump-sum contract" and "lump-sum construction contract" mean a construction contract, whether awarded after bid or negotiated, under which the price is fixed or to be fixed by any method other than the cost-plus-a-fixed-fee method.

SEC. 4. (a) Neither this act nor compliance with the provisions thereof shall be construed to create any privity of contract between the United States Government, or any agency thereof, and any contractor, contracting with the prime contractor under any construction contract, or give any such contractor any cause of action against the United States or any agency thereof arising out of the failure of any person to comply with the provisions of this act.

(b) Nothing in this act contained shall be construed to prevent any executive agency from requiring, in its discretion, approval or acceptance by it of contractors engaged or to be engaged by any prime contractor on a construction contract or from making any other requirements it deems advisable in its discretion with respect to contractors engaged or to be engaged by prime contractors on any construction contract or from requiring any information it deems advisable in its discretion as to the cost of performance of any construction contract.

LEAVE OF ABSENCE

Mr. MILLIKIN. Mr. President, I ask unanimous consent that I may be excused from further attendance on the Senate today.

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

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

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. 1741. An act to exempt from taxation certain property of the Jewish War Veterans, U. S. A. National Memorial, Inc., in the District of Columbia;

S. 2176. An act to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress;

S. 2177. An act to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia;

S. 2427. An act to provide for the payment of compensation to officers and members of the Metropolitan Police force, the United States Park Police force, the White House Police force, and the Fire Department of the District of Columbia, for duty performed on their days off, when such days off are suspended during an emergency;

S. 2428. An act to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes; and

S. 2592. An act to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

CHINESE STUDENTS AND SCHOLARS IN THE UNITED STATES

Mr. SPARKMAN. Mr. President, almost 2 months ago, on June 3, there appeared in the New York Times an article entitled "United States Is Criticized on China Students." The article was written by the distinguished former Times correspondent, Harrison Salisbury.

His was a disturbing report. Asserting that "a number of Chinese students and scholars are being returned to

their homeland from the United States under conditions that are said to threaten to impair their pro-American sympathy," Mr. Salisbury cited several cases of alleged injustices which had been brought to his attention.

Believing, as I do, that except for selective detention during time of war, the prevention of personal movement, or the compulsion of such movement under harsh conditions, is contrary to our American practices, I wrote to the Secretary of State about the issues raised in the article.

Recently, I had a reply from the Commissioner of the Immigration and Naturalization Service, to whom the matter had been referred by the Department of State. Although I am not satisfied, on the basis of his letter, that the Immigration Service has, in the past, altogether tempered justice with mercy in its handling of the Chinese students and educators, or even that it has correctly interpreted its mandate under the law, I am pleased to learn from Commissioner Swing that efforts are finally being made to avoid making enemies of those who need the sustaining strength of our friendship, and who may very well prove to be friends to our cause.

I ask unanimous consent, Mr. President, that the Salisbury article and my subsequent correspondence may be inserted in the RECORD at the conclusion of my remarks.

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

UNITED STATES IS CRITICIZED ON CHINA STUDENTS—EDUCATORS SAY STEPS IN CASES INVOLVING RETURNS MAKE FRIENDS INTO ENEMIES

(By Harrison E. Salisbury)

A number of Chinese students and scholars are being returned to their homeland from the United States under conditions that are said to threaten to impair their pro-American sympathy.

The number of Chinese involved is believed to be 125 to 150. Among them are 70 or more Chinese whose departure for mainland China was long prevented by orders of the United States Immigration Service.

The detainers on the 70 were lifted in April, a move that coincided with efforts to obtain the release of United States personnel from Communist China.

Facts about the situation are hard to obtain.

The Chinese themselves are reluctant to talk. Many will talk only under a pledge of secrecy. Many are afraid of what may happen when they get to Communist China.

Some are afraid of reprisals from sympathizers of Generalissimo Chiang Kai-shek, leader of Nationalist China, in this country. And not a few are worried about what they term coercive treatment by United States Immigration authorities.

A spokesman for Edward I. Shaughnessy, New York Director of Immigration, denied most of the contentions of the Chinese, educators and others familiar with their cases.

The spokesman said the Immigration Service had "no knowledge" of any hardship cases among the Chinese and said there had been "no trouble" over their return to mainland China. He conceded that the Chinese had been informed that they faced arrest and deportation if they did not leave the country, but said "they are treated just like we treat any other students—no better, no worse, no different."

A number of educators, including foreign student advisers in several large universities, however, are concerned by the treatment of the Chinese. They report that in some cases Chinese students, scholars and scientists have been turned from sympathizers of the United States to harsh critics by the procedures of immigration authorities.

J. M. Swing, a former lieutenant general and commander of the Sixth Army who now heads the Immigration Service, said in Washington yesterday that immigration authorities had no intention of working any hardship on the Chinese.

Mr. Swing promised to look into the situation immediately and correct any injustices that might have occurred. He said that considerable latitude had been given to regional immigration offices in handling the return of the Chinese.

One person familiar with a number of the cases, who did not want to be identified, said: "We are driving highly qualified, intelligent people straight into the arms of communism. I have had Chinese tell me 'If this is democracy we don't want any part of it'."

Most of the Chinese who are now being returned to their homeland came to this country about 1948. They were mostly numbered among the 3,636 Chinese who were financed and aided under the State Department's special China students' aid program.

SOME SOUGHT TO STAY

As of this spring, about 2,900 of these students remained in this country, according to the estimate of Francis J. Colligan, Director of the State Department's International Educational Exchange Service.

About 750 students were estimated to have returned to the Far East, some to Formosa, some to mainland China, and a few to other lands.

Of the remaining students, some were still working for advanced degrees. Many had completed their educational work. Substantial numbers applied for permission to stay in the United States permanently.

Some, however, desired to return to China. A handful actually did return, but most were barred by detainer orders that the Immigration Service issued after the entry of Communist Chinese forces in the Korean war in 1950. This prevented most Chinese in the scientific, engineering, or technical fields from going back to China.

Exactly how many Chinese were placed under detainers is not known. Immigration officials in Washington said yesterday that the State Department had barred disclosure of the number detained, the number of detainers lifted, and the number thus far returned to mainland China. A State Department spokesman, however, said he had no knowledge of such instructions.

The procedure followed after the detainers were lifted against such Chinese last April is the target of the educators' criticism.

An example is cited by Prof. Francis Ryan of the Columbia University department of zoology. It concerns a Chinese student who came to the United States in 1947 and obtained his doctor of philosophy degree in biology in 1951. He then sought to return to China, being the only son of an aged mother to whom he felt he owed assistance.

He was detained, however, until April 5, 1955, when he was advised by the Immigration Service that he might now leave if he desired.

With the passage of years the student was less eager to return to Communist China and decided to seek a visa for Israel. However, on April 13 he received a second letter from the Immigration Service instructing him that if he had not left the United States by April 28 he would be deported.

He found that it would take at least 4 weeks to get a visa for Israel or a transit visa through Hong Kong and at least as long to obtain steamer passage. Despite representations of university authorities he was arrested on a deportation warrant on the grounds that his student visa had expired in 1951 when he obtained his doctor of philosophy degree, although it was the Immigration Service that had prevented him from leaving since 1951. He was held for hearing on $1,000 bond.

While he was awaiting a hearing a transit visa came through for Hong Kong and the student left for Communist China in a state of confusion, anger, and bewilderment. A letter from the university foreign student adviser to Mr. Swing, asking for consideration of the student's case, is still unacknowledged.

Columbia authorities said that the Immigration Service had hinted that there was some suspicion of subversion about the student, but offered no explanation of any connection between such suspicions and the seemingly arbitrary manner in which the case had been handled.

Another case involves a Chinese who obtained an engineering degree several years ago from a Midwestern university and since has worked in a large city near New York. He had wanted to return to China for family reasons for several years.

In April he got word that his detainer had been removed and that he must be out of the country within 4 weeks or face arrest and deportation.

In his first disturbed reaction he told friends he hoped "I get back to China in time to help take over Hong Kong."

Another Chinese has been studying aeronautical engineering at an eastern college. He is to receive his doctor of philosophy degree in September. But in April the Immigration Service advised him that the detainer on his departure had been lifted and he had to leave by May 12.

Despite the efforts of university authorities, the Service refused a stay and he was brought in on a deportation order and released on a $1,000 bond.

Immigration representatives hinted to university authorities that there was derogatory information in the student's record. But, as the faculty adviser told the Immigration Service:

"This man has been permitted to stay in the United States for more than 4 years. Even if he is an out-and-out Communist, wouldn't it be better to let him stay another 4 months and go home feeling grateful and friendly to us than to deliberately drive him into bitterness and anger?"

Mr. Swing said that the Immigration Service had not enforced any uniform time limit for the departure of Chinese and had given the regional immigration offices discretion on this point.

His statement was borne out by the experience of some other Chinese students in the New York City area. Several said they had had no difficulty in getting extensions and had not been threatened with deportation.

However, not all the Chinese currently in difficulty with the immigration authorities are students whose detainer has been lifted.

One academic adviser in the New York City area said it appeared that many Chinese students and scholars who had not applied for displaced-persons status or had not in some way indicated their desire to stay in the United States permanently were now being ordered by the Immigration Service to leave the country.

This adviser said action appeared to be concentrated against Chinese who at one time or another had made statements derogatory to General Chiang or that might be construed as noncommital toward the Chinese Communists.

POLITICAL FACTOR SEEN

A social worker who has been working for several years with the Chinese students said it was his impression that almost any Chinese student who had sometime in the past

indicated a liberal attitude was now being called in for questioning by the Immigration Service. He said the immigration authorities had told him "Congressmen are insisting on such action."

From another social worker comes, perhaps, the strangest case of all.

A young Chinese couple in New York have two children, a boy and a girl. The father is a history graduate and the wife a teacher. They have applied for permanent status, and it appears this will be granted.

But the Immigration Service has just notified them that their 7-year-old girl, born in Australia, is in the United States illegally and is subject to deportation. They have just posted $500 bond, pending a hearing, as warranty that the child will not attempt to violate the immigration statutes.

JUNE 17, 1955.

The Honorable JOHN FOSTER DULLES,
The Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: The New York Times of June 3, 1955, carried quite an article on the case of Chinese students in this country under the heading "United States Is Criticized on China Students."

I have tried to keep up with this matter, but in view of the article in the New York Times and the various statements made in it, I should like very much to be brought up to date. I am therefore asking the following questions:

1. How many, if any, Chinese students, educators, scholars, or scientists are currently being detained in the United States?

2. Were those who in April of this year were allowed to leave the United States permitted to do so as and when they saw fit?

3. Were any required to leave? If so, under what conditions?

4. Have any who have applied for permanent residence in the United States, or a visa to another country, been compelled to return to China under threat of deportation?

5. Have any Chinese students, teachers, scholars, or scientists been arrested on a deportation warrant? If so, what disposition has been made of their cases?

6. What are the criteria under which such persons as were detained are threatened with deportation?

7. Has any time limit been set on departure of Chinese who want to return to China, but who have been detained, until recently, from doing so?

8. Are Chinese who have not been detained, but who also have not applied for permanent residence in the United States, being compelled to leave this country under threat of deportation?

9. Is criticism of Chiang Kai-shek, a noncommittal attitude toward the Chinese Communists, or a liberal attitude considered grounds for deportation of Chinese?

10. Is the treatment being accorded these Chinese, no matter what their political philosophy may be, consonant with our beliefs about the freedom of the person?

Your advice on these matters will be appreciated.

With best wishes and kindest personal regards, I am

Sincerely,

JOHN SPARKMAN,
United States Senator.

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
July 14, 1955.

Hon. JOHN SPARKMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR SPARKMAN: Your communication of June 17, 1955, addressed to the Secretary of State, concerning Chinese nonimmigrants has been referred to me for reply.

I am enclosing a copy of my response to the article which appeared in the New York Times on June 3, 1955, to which you referred in your letter under acknowledgment. You will note from the enclosed reply that no Chinese student who has expressed a desire to return to his home on the Chinese mainland is now prevented from departing from the United States and that no bona fide Chinese student in the United States will be prevented from completing his educational program.

I am equally anxious to avoid the impression being created that all Chinese in the United States will be permitted to remain here for permanent or indefinite residence, regardless of their violations of the immigration laws.

Public Law 535, 81st Congress, title 2, section 202, cited as the "China Area Aid Act of 1950," with which you are no doubt familiar, provides in part as follows:

"Provided further, That not more than $6 million of such funds (excluding the amounts mentioned in the foregoing provisos) shall be available for allocation to the Secretary of State, to remain available until expended, under such regulations as the Secretary of State may prescribe, using private agencies to the maximum extent practicable, for necessary expenses of tuition, subsistence, transportation, and emergency medical care for selected citizens of China for study or teaching in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes, or for research and related academic and technical activities in the United States, and the Attorney General is hereby authorized and directed to promulgate regulations providing that such selected citizens of China who have been admitted for the purpose of study in the United States, shall be granted permission to accept employment upon application filed with the Commissioner of Immigration and Naturalization."

This legislation has been given full effect by the Immigration and Naturalization Service and nonimmigrants admitted under its provisions and still engaged in study in accordance with its terms have been given blanket permission to accept employment in this country without the necessity of making individual applications. This blanket permission to accept employment, necessary for their maintenance while in the United States, has been extended administratively by this Service to cover all students of Chinese extraction and not merely those within the purview of the China Area Aid Act.

The Immigration and Nationality Act passed subsequent to the China Area Aid Act requires all students and other temporary visitors in this country to maintain a residence in a foreign country which they have no intention of abandoning and to evidence that fact in part by the possession of a passport, authorizing the bearer to return to his home country or some other country, valid for a period of 6 months beyond the expiration date of original admission or any extension thereof. Many Chinese aliens are presently unable to meet this requirement and others have established their intention to abandon their foreign residences by filing applications for permanent residence in the United States, thus placing them in a technically illegal status.

With respect to those Chinese aliens who are continuing in their original purposes of acquiring an education in this country, but who have fallen into the illegal status outlined above, formal administrative procedures looking to their expulsion from this country will not be initiated. Instead, they will be granted the privilege of voluntary departure for the period that they remain in school and 30 days after their termination of school enrollment.

The statutes do not give the Attorney General (or the Commissioner to whom the Attorney General's authority has been delegated by regulation) the power to withhold the institution of deportation proceedings indefinitely. It does give him the authority to stay deportation in section 243 (h), which reads as follows:

"The Attorney General is authorized to withhold deportation of any alien within the United States to any country in which in his opinion the alien would be subject to physical persecution and for such period of time as he deems to be necessary for such reason."

Additionally, the statute provides that a hearing before a special-inquiry officer of this Service shall be the sole and exclusive procedure for determining the deportability of an alien. Consequently, the stays of deportation on the ground of physical persecution can only be granted after the alien has been found to be deportable. To enable this finding to be made, it will be necessary for the Service to carry out its mandate under the general immigration laws and to serve notice on such aliens to show cause why they are not subject to deportation. Such notices will not be served on any student still maintaining his educational pursuits or upon any alien whose application for relief under the Refugee Relief Act has not been finally determined.

Before notice is served in the balance of these cases, an informal interview will be arranged with the individual Chinese concerned by local immigration officials and the reasons behind the action being taken and the possibility of adjustment or stays thoroughly canvassed.

The foregoing will bring you up to date on our handling of Chinese nonimmigrants generally. Your specific questions are answered as follows:

1. No Chinese student, educator, scholar, or scientist who is currently requesting permission to leave the United States is being prevented from departing.

2. Any alien maintaining a lawful student or other nonimmigrant status was permitted to depart as and when he saw fit. Aliens who were in an illegal status were given an initial period of 30 days within which to depart voluntarily, subject to reasonable extensions upon request.

3. A very small number whose continued presence in the United States was deemed prejudicial to the safety or security of the United States was required to leave.

4–8. The immigration law is applied with respect to Chinese aliens in precisely the same manner as it is applied to all other aliens. Those who have violated their immigration status in the United States are subject to the institution of deportation proceedings and each case is handled on an individual basis from a legal and factual standpoint. However, bona fide Chinese students, including those who have technically violated their status, are being permitted to complete their studies unless their presence in this country is harmful to the national security or safety. No alien is compelled to leave this country while he has pending an application for adjustment of status to that of a permanent resident.

9. No.

10. Yes, it is; students are permitted to complete their studies; aliens temporarily here are not required to depart if they have pending an application for adjustment of status to that of a permanent resident; no alien is deported to a country where, in the opinion of the Attorney General, the alien would be subject to physical persecution. All action is taken in accordance with law and regulation.

Sincerely,

J. M. SWING,
Commissioner.

DISPOSAL OF CERTAIN FEDERAL PROPERTY IN THE BOULDER CITY AREA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1103, Senate bill 514.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 1103, Senate bill 514, to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill (S. 514), which had been reported from the Committee on Interior and Insular Affairs with amendments on page 5, line 5, to strike out "Act" and insert "section"; in line 11, after the word "at", to strike out "the appraised value as" and insert "prices"; in line 12, after the word "established", to strike out "under" and insert "pursuant"; in line 22, after the word "area", to strike out "shall be offered the opportunity to bid upon and" and insert "may apply"; in line 25, after the word "section", to strike out "The Secretary shall sell such property to the highest responsible bidder at not less than the appraised value. But no person or his spouse shall be entitled to purchase more than one house under subsections (b) (1) and (b) (2) of this section; and" and insert "Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing, but spouses of such applicants shall not be entitled to apply. Sales shall be made at prices established pursuant to subsection (d) of this section, and selections and purchases by successful applicants shall be concluded within limits of time to be established by the Secretary. A purchase under subsections (b) (1) or (b) (2) of this section shall render the purchaser and any spouse of such purchaser ineligible thereafter to purchase under subsections (b) (1) or (b) (2); and"; on page 6, line 22, after the word "effected", to strike out "before July 1, 1957" and insert "within four years after the date of this Act"; in line 23, after the word "under", to strike out "subsections (b) (1) or (b) (2) of this section" and insert "this subsection"; on page 7, line 1, after the word "price", to insert "(or rebate as appropriate)"; in line 2, after the word "per centum", to strike out "of said appraised value"; after line 10, to strike out:

(d) The appraised value of property to be sold under subsection (b) (1) and (b) (2) of this section shall be determined from time to time by an appraiser or appraisers to be designated by the Administrator of Housing and Home Finance Agency at the request of the Secretary. Appraisals under this subsection and under section 4 of this act, shall be made by the aforesaid appraiser or appraisers only after representatives of the Boulder City community, as determined by the Secretary, have been granted an opportunity to offer advice.

And in lieu thereof to insert:

(d) The selling price to a purchaser under subsections (b) (1) and (b) (2) of this subsection shall be the lower of the following amounts:

(1) The appraised value of the property to be purchased, or

(2) The product of the aforesaid appraised value multiplied by the fraction of which the numerator shall be the total investment cost carried on the books of the project of all property to be sold pursuant to subsection (b) of this section, plus the total cost of maintenance performed by the United States in connection with such property, minus the total rentals received by the United States in connection with such property, and the denominator shall be the total appraised value of such property.

On page 8, after line 9, to strike out:

(c) In the sale of property to a tenant under subsection (b) (1) of this section the value of structural improvements made at such tenant's own expense, shall, to the extent the aforesaid appraiser or appraisers determine that such improvements actually enhance the value of the property, be deducted from the appraised value of the property to be sold or from the appraised value less 10 percent thereof as the case may be.

And in lieu thereof to insert:

(e) The appraised value of all property to be sold under subsections (b) (1) and (b) (2) of this section, and of all lots leased or to be leased by the United States for the purpose of maintaining, locating, or erecting permanent structures thereon, shall be determined by an appraiser or appraisers to be designated by the Administrator of Housing and Home Finance Agency at the request of the Secretary. Said appraisals shall be made promptly after the date of this act, or immediately prior to the granting of any new land lease, as the case may be. The representatives of the Boulder City community, as determined by the Secretary, shall be granted an opportunity to offer advice in connection with such appraisals.

On page 9, line 6, after the letter "(f)", to strike out "The" and insert "(1) Except as otherwise provided in this subsection, the"; after line 13, to insert:

(2) Of the property subject to disposal under this section, the Secretary is authorized to lease, to the corporation owning and operating the Boulder City hospital, for the purpose of providing living accommodations for employees of the hospital, not more than 2 dwelling houses, or not more than 1 dwelling house and 1 apartment-house building containing not more than 6 apartment units, together with furniture, and appurtenances, including, without being limited to, any appurtenant garage or garages. Upon incorporation of the municipality, the Secretary may transfer said property, together with the land on which it is situated, to the municipality without cost, subject to existing leases.

On page 11, line 10, after the numeral "4", to insert "(a)"; after line 20, to strike out "*Provided*, That the Secretary shall, at the request of the lessee thereof, amend any such lease to provide (a) that, in the event that the leased property shall be transferred to the municipality pursuant to this section, the holder of any such amended lease shall, for a period of 2 years after the date of incorporation of the municipality, be entitled to exercise an option to purchase the leased property at the appraised value, to be determined by the appraiser or appraisers designated under subsection (3) (d) of this act, and shall, after the end of the aforesaid 2-year period and until expiration of the lease, be entitled to exercise an option to purchase the leased property at its appraised value as determined by a qualified appraiser or appraisers to be appointed by the governing authority of the municipality; (b) that all determinations of appraised value with respect to the aforesaid property shall be made without reference to improvements on the leased property made or acquired at the expense of the current or any former lessee thereof; and (c) that, in the event that incorporation of the municipality shall be effected before July 1, 1957, the holder of the amended lease shall be entitled to a reduction in the price of any purchase under the aforesaid options of 10 percent of the appraised value." and in lieu thereof to insert "*Provided*, That any such lease shall provide, or, at the request of the holder of an existing lease, shall be amended to provide, (1) that in the event that the leased property shall be transferred to the municipality pursuant to this section, the holder of any such lease shall, for a period of 2 years after the date of incorporation of the municipality, be entitled to exercise an option to purchase the leased property at the original appraised value as determined pursuant to subsection 3 (e) of this act, and shall, after the end of the aforesaid 2-year period and until the expiration of the lease, be entitled to exercise an option to purchase the leased property at its appraised value as determined by a qualified appraiser or appraisers to be appointed by the governing authority of the municipality; (2) that all determinations of appraised value with respect to the aforesaid property shall be made without reference to improvements on the leased property made or acquired at the expense of the current or any former lessee thereof; and (3) that, in the event that incorporation of the municipality shall be effected within 4 years after the date of this act, the holder of the lease shall be entitled to a reduction in the price of any purchase under the aforesaid option of 10 percent of the purchase price.

"(b) The Secretary shall cause to be surveyed and subdivided into lots and blocks that part of Boulder City where federally owned lands not under lease are occupied by privately owned habitable structures and which is commonly referred to as Lakeview Addition. Such subdivision shall be made so as to conform, within limits of equity and feasibility, to the existing pattern of land occupancy. On submission of satisfactory proof of ownership, the Secretary may, in accordance with such subdivision and pursuant to the first proviso under the heading 'Boulder Canyon Project' in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), lease to the owner the lot on which any such habitable structure is located, or, where, in the Secretary's judgment, equitable or practical considerations require, another lot within the subdivision on condition that the lessee agree to relocate or build a habitable structure on such other lot.

The Secretary may condition the continued validity of any such lease on the lessee's rehabilitation, replacement, or relocation of any or all structures occupying the land in order to bring about closer conformance with general standards prevailing in the community. The Secretary's determinations under this subsection shall be final and conclusive."

On page 15, after line 24, to insert "the cost of subdividing land and effecting the necessary removal or relocation of structures under subsection 4 (b) of this act and the payment of"; on page 16, after line 5, to strike out:

(2) There is hereby authorized to be appropriated from moneys in the Boulder City municipal fund an amount of $245,000 for payment to the municipality for replacement and rehabilitation of municipal facilities and utilities, such payment to be diminished by an amount, as estimated by the Secretary, equal to the revenues which would otherwise probably have accrued to the United States from municipal operations of the city between the date of incorporation of the municipality and the end of the fiscal year in which such date falls.

And in lieu thereof to insert:

(2) There are hereby authorized to be appropriated from moneys in the Boulder City municipal fund, or from general funds, (A) an amount not to exceed $245,000 for payment to the municipality for replacement and rehabilitation of municipal facilities and utilities, such payment to be diminished by an amount, as estimated by the Secretary, equal to the revenues which would otherwise probably have accrued to the United States from municipal operations of the city between the date of incorporation of the municipality and the end of the fiscal year in which such date falls; and (B) an amount not to exceed $150,000 for expenditure by the Secretary for such construction or improvement of, or additions to, street, water, electric, and sewerage systems for that part of Boulder City referred to in subsection 4 (b) of this act as Lakeview Addition as the Secretary may deem necessary toward conformance with general standards for such utilities and facilities prevailing in the community.

On page 20, line 6, after the word "supply", to insert "filtered, potable"; at the beginning of line 12, to strike out "$100,000" and insert "$150,000"; and in the same line, after the word "annually", to strike out "*Provided further,* That the cost of filtration and treatment of such water shall be assumed by the municipality."; on page 23, line 12, after the word "at", to insert "the end of the second year after"; in line 15, after the words "Boulder City", to insert a colon and "*Provided,* That if at any time prior to the end of such 2-year period the governing authority of the municipality shall, by resolution, express the desire that one or more of the aforesaid conditions be terminated, such condition or conditions shall thereupon be extinguished by operation of law"; on page 24, after line 4, to strike out "inserting after the words 'Tennessee Valley Authority' the words ', or of any permanent housing under the jurisdiction of the Department of the Interior constructed under the Boulder Canyon Project Act of December 21, 1928, as amended and supplemented, located within the Boulder City municipal area' " and in lieu thereof to insert "changing the final semicolon in the paragraph to a comma and adding at the end of the paragraph the following: 'of any permanent housing under the jurisdiction of the Department of the Interior constructed under the Boulder Canyon Project Act of December 21, 1928, as amended and supplemented, located within the Boulder City municipal area: *Provided,* That for purposes of the application of this title to sales by the Secretary of the Interior pursuant to subsections 3 (b) (1) and 3 (b) (2) of the Boulder City Act of 1955, the selling price of the property involved shall be deemed to be the appraised value, or' "; so as to make the bill read:

Be it enacted, etc., That it is the purpose of this act to authorize the disposal of certain Federal property in that area in Clark County in the State of Nevada commonly known as Boulder City, now a part of the Boulder Canyon project, in order that the people of that area may enjoy local self-government and to facilitate the establishment by them of a municipal corporation under the laws of the State of Nevada.

SEC. 2. Wherever the following terms are used in this act, they shall be interpreted as follows:

(a) "Adjustment Act" shall mean the Boulder Canyon Project Adjustment Act (54 Stat. 774);

(b) "Appraised value" shall be current fair market value;

(c) "Boulder City municipal area" shall consist of and include the tract of land particularly described as follows:

Lots 9, 10, 11, 12, south half north half, south half section 1, lots 8, 9, 10, 16, 17, southeast quarter northeast quarter, east half southeast quarter section 2, lots 1, 4, 5, 8, east half east half section 11, all sections 12 and 13, lots 1, 4, 5, 8, east half east half section 14, lots 1, 4, 5, northeast quarter northeast quarter section 23, lots 1, 2, 3, 4, north half north half section 24, township 23 south, range 63 east, lots 8, 9, 10, section 1, all fractional sections 12, 13, 24, township 23 south, range 63½ east, south half south half section 28, south half south half section 29, lot 12, southeast quarter southwest quarter, south half southeast quarter section 30, lots 5, 8, 9, 12, east half west half, east half section 31, all sections 32 and 33, south half section 34, south half section 35, township 22 south, range 64 east, all sections 2, 3, 4, 5, lots 8, 9, 10, 11, 14, 15, 17, south half northeast quarter, southeast quarter northwest quarter, east half southwest quarter, southeast quarter section 6, all sections 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, township 23 south, range 64 east, Mount Diablo base and meridian, State of Nevada, containing fourteen thousand six hundred ninety-four and twenty-one one-hundredths acres, more or less.

(d) "Boulder City Municipal Fund" shall mean the fund in the Treasury created by section 6 of this act;

(e) "City" shall mean Boulder City, Nev., prior to its incorporation as a municipality under the laws of the State of Nevada;

(f) "Colorado River Dam Fund" shall mean the special fund in the Treasury created by section 2 of the Project Act;

(g) "Department" shall mean the Department of the Interior;

(h) "Municipal operations" shall mean the financing, operation, maintenance, replacement, and expansion of municipal facilities and utilities and other operations of a municipal character;

(i) "Municipality" shall mean Boulder City, Nev., after its incorporation as a municipality under the laws of the State of Nevada;

(j) "Persons employed by the United States for purposes other than the construction, operation, and maintenance of the project" shall mean all persons who are so employed and who are resident in the municipality;

(k) "Persons employed in the construction, operation, and maintenance of the project" shall mean all persons who are so employed, whether by a Federal agency or by an agent designated pursuant to section 9 of the Adjustment Act, and who are resident in the municipality. This term shall not include persons employed in municipal operations of the municipality;

(l) "Project" shall mean the works authorized by the Project Act to be constructed and owned by the United States, exclusive of the diversion dam, main canal, and appurtenances mentioned therein, now known as the All-American Canal System;

(m) "Project Act" shall mean the Boulder Canyon Project Act (45 Stat. 1057);

(n) "Secretary" shall mean the Secretary of the Interior.

SEC. 3. (a) The Secretary is authorized to sell such dwelling houses, duplex houses or units thereof, and garages, with furniture, fixtures, and appurtenances, as are owned by the United States within the Boulder City municipal area and are not needed in connection with the administration, operation, and maintenance of Federal activities located within or near the Boulder City municipal area.

(b) Except in the case of property determined to be substandard under subsection (c) of this section, the following system of priority shall be established with respect to property authorized to be sold under subsection (a) of this section:

(1) Persons employed by the Federal Government within or near the Boulder City municipal area (and surviving spouses of such persons who have not remarried) who are tenants in Federal housing in Boulder City shall be offered the opportunity to purchase the property in which they are tenants at prices established pursuant to subsection (d) of this section. This right of priority shall expire unless notice of intent to purchase has been received by the Secretary before the expiration of 60 days after the date on which the property has been offered for sale, and shall be deemed abandoned unless before the expiration of 60 days after the Secretary's tender of the instrument of transfer the prospective purchaser concludes the sale;

(2) Persons employed by the Federal Government within or near the Boulder City municipal area may apply to purchase housing not purchased under subsection (b) (1) of this section. Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing, but spouses of such applicants shall not be entitled to apply. Sales shall be made at prices established pursuant to subsection (d) of this section, and selections and purchases by successful applicants shall be concluded within limits of time to be established by the Secretary. A purchase under subsections (b) (1) or (b) (2) of this section shall render the purchaser and any spouse of such purchaser ineligible thereafter to purchase under subsections (b) (1) or (b) (2); and

(3) Property subject to disposal under this section and not sold pursuant to subsections (b) (1) and (b) (2) of this section, shall be opened to bids from the general public, and shall be sold to the highest responsible bidder.

In the event that incorporation of the municipality shall be effected within 4 years after the date of this act, persons purchasing housing under this subsection or their successors, assigns, or legal representatives shall be entitled to a reduction in the purchase price (or rebate as appropriate) of

10 percent: *Provided*, That no person who has purchased a house under the act of May 25, 1948 (62 Stat. 268), shall be eligible for such reduction.

(c) Where the Secretary determines that property authorized to be sold under subsection (a) of this section is substandard, he shall sell such property only for off-site use, such property to be opened to bids from the general public for sale to the highest responsible bidder.

(d) The selling price to a purchaser under subsections (b) (1) and (b) (2) of this section shall be the lower of the following amounts:

(1) The appraised value of the property to be purchased, or

(2) The product of the aforesaid appraised value multiplied by the fraction of which the numerator shall be the total investment cost carried on the books of the project of all property to be sold pursuant to subsection (b) of this section, plus the total cost of maintenance performed by the United States in connection with such property, minus the total rentals received by the United States in connection with such property, and the denominator shall be the total appraised value of such property.

(e) The appraised value of all property to be sold under subsections (b) (1) and (b) (2) of this section, and of all lots leased or to be leased by the United States for the purpose of maintaining, locating, or erecting permanent structures thereon, shall be determined by an appraiser or appraisers to be designated by the Administrtor of Housing and Home Finance Agency at the request of the Secretary. Said appraisals shall be made promptly after the date of this act, or immediately prior to the granting of any new land lease, as the case may be. The representatives of the Boulder City community, as determined by the Secretary, shall be granted an opportunity to offer advice in connection with such appraisals.

(f) (1) Except as otherwise provided in this subsection, the Secretary is authorized to dispose of such multiple-unit garages, and such apartment houses together with furniture, fixtures, and appurtenances, including, without being limited to, any appurtenant garages, as are owned by the United States within the Boulder City municipal area. Such property shall be offered to the general public and sold to the highest responsible bidder.

(2) Of the property subject to disposal under this section, the Secretary is authorized to lease, to the corporation owning and operating the Boulder City hospital, for the purpose of providing living accommodations for employees of the hospital, not more than two dwelling houses, or not more than one dwelling house and one apartment-house building containing not more than six apartment units, together with furniture, and appurtenances, including, without being limited to, any appurtenant garage or garages. Upon incorporation of the municipality, the Secretary may transfer said property, together with the land on which it is situated, to the municipality without cost, subject to existing leases.

(g) (1) Except in the case of property determined to be substandard under subsection (c) of this section, the Secretary shall, pursuant to the first proviso under the heading "Boulder Canyon Project" in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), lease to the purchasers thereof the lots on which structures sold under this section are situated. Any such lease shall be executed prior to transfer of title to the purchaser and shall incorporate the conditions enumerated in the proviso of section 4 of this act.

(2) At the expiration of fiscal year 1961, unless incorporation of the municipality shall previously have been achieved, the Secretary may (A) negotiate the sale to the lessees thereof all leased lands within the Boulder City municipal area, and (B) sell to the highest responsible bidder at not less than the appraised value as determined by the Secretary and other lands within the Boulder City municipal area not needed for Federal purposes, including the purposes of this act.

(h) Except in the case of property determined to be substandard under subsection (c) of this section, the Secretary may sell any structure authorized to be sold under this section which is unsold at the time of incorporation of the municipality together with the land on which it is situated. Such sales shall be made, as near as may be, in accordance with the procedures and the system of priority established under subsections (b) (1), (b) (2), (b) (3), and (f) of this section; and, where applicable, the appraised value shall be the combined appraised value of structure and land.

(i) In establishing rules and regulations governing sales of property under this section and in determining the terms and conditions of such sales, the Secretary shall consult with representatives of the Boulder City community, as determined by him.

SEC. 4. (a) Upon incorporation of the municipality, the Secretary shall be authorized to transfer to the municipality without cost, subject to any existing leases granted by the United States, all improved lands within the Boulder City municipal area the improvements to which are privately owned and such unimproved lands within that area as the Secretary determines are not required in connection with the administration, operation, and maintenance of Federal activities located within or near the Boulder City municipal area, and to assign to the municipality without cost any leases granted by the United States on such lands: *Provided*. That any such lease shall provide, or, at the request of the holder of an existing lease, shall be amended to provide, (1) that in the event that the leased property shall be transferred to the municipality pursuant to this section, the holder of any such lease shall, for a period of 2 years after the date of incorporation of the municipality, be entitled to exercise on option to purchase the leased property at the original appraised value as determined pursuant to subsection 3 (e) of this act, and shall, after the end of the aforesaid 2-year period and until the expiration of the lease, be entitled to exercise an option to purchase the leased property at its appraised value as determined by a qualified appraiser or appraisers to be appointed by the governing authority of the municipality; (2) that all determinations of appraised value with respect to the aforesaid property shall be made without reference to improvements on the leased property made or acquired at the expense of the current or any former lessee thereof; and (3) that, in the event that incorporation of the municipality shall be effected within 4 years after the date of this act, the holder of the lease shall be entitled to a reduction in the price of any purchase under the aforesaid option of 10 percent of the purchase price.

(b) The Secretary shall cause to be surveyed and subdivided into lots and blocks that part of Boulder City where federally owned lands not under lease are occupied by privately owned habitable structures and which is commonly referred to as Lakeview Addition. Such subdivision shall be made so as to conform, within limits of equity and feasibility, to the existing pattern of land occupancy. On submission of satisfactory proof of ownership, the Secretary may, in accordance with such subdivision and pursuant to the first proviso under the heading "Boulder Canyon Project" in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), lease to the owner the lot on which any such habitable structure is located, or, where, in the Secretary's judgment, equitable or practical considerations require, another lot within the subdivision on condition that the lessee agree to relocate or build a habitable structure on such other lot. The Secretary may condition the continued validity of any such lease on the lessee's rehabilitation, replacement, or relocation of any or all structures occupying the land in order to bring about closer conformance with general standards prevailing in the community. The Secretary's determinations under this subsection shall be final and conclusive.

SEC. 5. (a) Subject to the provisions of subsection 9 (a) and section 11 of this act, the Secretary shall transfer all activities and functions of a municipal character to the municipality upon its incorporation.

(b) The Secretary is authorized to transfer to the appropriate school districts all right, title, and interest of the United States to all the school buildings and related equipment and facilities, and to lands upon which they are situated, owned by the United States in the Boulder City municipal area.

(c) Upon its incorporation, the Secretary shall transfer to the municipality, subject to the limitation contained in subsection (d) of this section, all real and personal property, including, but not limited to, buildings, lands, equipment, facilities, works, and utilities, owned by the United States and used primarily in the performance of activities and functions to be transferred under subsection (a) of this section.

(d) The Secretary shall determine which contracts to which the United States is now a party concern activities and functions to be transferred under subsection (a) of this section and are properly assignable to the municipality. The Secretary shall assign such contracts to the municipality upon its incorporation, and the acceptance of such assignment by the municipality shall be a condition precedent to the transfer of property under subsection (c) of this section.

SEC. 6. (a) There is hereby established in the Treasury a special fund to be known as the Boulder City Municipal Fund. All proceeds from the disposal under this act of Federal property lying within the Boulder City municipal area shall be deposited in such fund.

(b) (1) Moneys in the Boulder City Municipal Fund are hereby appropriated for expenditure at the direction of the Secretary for payment of the expenses of the disposal of property under sections 3, 4, and 5 of this act, including the cost of subdividing land and effecting the necessary removal or relocation of structures under subsection 4 (b) of this act and the payment of rebates, where appropriate, to vendees of the United States entitled to the special benefit provided under section 3 of this act for attainment of early incorporation of the municipality.

(2) There are hereby authorized to be appropriated from moneys in the Boulder City Municipal Fund, or from general funds, (A) an amount not to exceed $245,000 for payment to the municipality for replacement and rehabilitation of municipal facilities and utilities, such payment to be diminished by an amount, as estimated by the Secretary, equal to the revenues which would otherwise probably have accrued to the United States from municipal operations of the city between the date of incorporation of the municipality and the end of the fiscal year in which such date falls; and (B) an amount not to exceed $150,000 for expenditure by the Secretary for such construction or improvement of, or additions to, street, water, electric, and sewerage systems for that part of Boulder City referred to in subsection 4 (b) of this act as Lakeview Addition as the Secretary may deem necessary toward conformance with general standards for such utilities and facilities prevailing in the community.

(c) Except for such sums as may be required for expenditures under subsection (b) (1) of this section, all moneys remaining in and accruing to the Boulder City Municipal Fund either (1) after the date of incor-

poration of the municipality, or (2) after the expiration of fiscal year 1961, if such incorporation shall not then have been achieved, shall be divided into two parts, as determined by the Secretary, representing project and nonproject investments in the property yielding the moneys deposited in the Boulder City Municipal Fund. Said parts shall be covered into the general fund of the Treasury, but the first part shall constitute a payment to the Treasury diminishing the obligation under section 2 of the Adjustment Act to repay advances and readvances to the Colorado River Dam fund, and the rates computed pursuant to section 1 of said act shall reflect such diminution.

(d) The Secretary, if he deems it necessary, may arrange for the loan of moneys from the Colorado River Dam Fund to the Boulder City Municipal Fund in order that he may make expenditures pursuant to subsections (b) (1) and (b) (2) of this section prior to the receipt of sufficient revenue from the disposal of property under this act, the loans to be repaid out of such revenue.

(e) Upon its incorporation, the Secretary shall cause to be paid over to the municipality all unobligated balances from appropriations available for municipal operations of the city, less the estimated cost for the remainder of the fiscal year after incorporation of furnishing water to the municipality pursuant to section 9 of this act.

SEC. 7. Nothing in this act shall affect any component of the rates and charges for electrical energy generated at Hoover Dam for amortization of the cost of works and improvements on land, including the school buildings and related facilities and equipment, within the Boulder City municipal area, transferred to non-Federal ownership pursuant to this act less that part of such cost allocated by the Secretary to nonproject purposes pursuant to those portions of the Interior Department Appropriaitons Acts, 1949 and 1950 (62 Stat. 1112, 1130; 63 Stat. 765, 784), under the headings "Colorado River Dam Fund" which, in the case of each statute, follow the first sentence thereof. Effective at the beginning of the first full fiscal year after the date of incorporation of the municipality, if achieved before the expiration of fiscal year 1961, the aforesaid provisions of law are hereby repealed.

SEC. 8. From the electrical energy reserved to the United States under article 4 of the "General Regulations for Generation and Sale of Power in Accordance With the Boulder Canyon Project Adjustment Act," promulgated by the Secretary on May 20, 1941, the Secretary is authorized to deliver, at the Boulder City substation, at rates determined on the basis of (a) the Adjustment Act and (b) any other costs incurred in connection with such delivery, up to a maximum demand of 17,000 kilowatts to the municipality for its own use or for resale for use within the Boulder City municipal area less such capacity as is required by the United States for pumping water delivered to the municipality pursuant to section 9 of this act: *Provided,* That should the present electrical energy requirements of the Bureau of Mines in Boulder City be substantially curtailed or discontinued, the maximum demand for the use of the municipality may be increased at the discretion of the Secretary up to 19,500 kilowatts less such capacity as is required by the United States for pumping water delivered to the municipality pursuant to section 9 of this act.

SEC. 9. (a) Because of its climate and its location with respect to the only source of water, Boulder City faces extraordinary difficulties in connection with a domestic water supply. In recognition of this fact, the existing water supply system from Hoover Dam to, but not including, the Boulder City storage tanks shall be retained by the United States and shall be operated and maintained by the Secretary in order to supply filtered, potable water to the municipality at said storage tanks, for domestic, industrial, and municipal purposes, at a maximum rate of delivery of 3,650 gallons a minute: *Provided,* That the cost of supplying such water, to be borne as provided in subsection (c) of this section, shall in no event exceed $150,000 annually. Such water shall be supplied to the municipality without charge, but nothing herein shall be construed to affect the charge established for water under the contract for delivery of water between the United States and the State of Nevada, dated March 30, 1942, as amended. Such delivery shall be subject to the availability of water for use in the State of Nevada under the provisions of the Colorado River Compact and the Project Act and shall be in accordance with the terms of the aforesaid contract.

(b) As of the end of each year of project operation, or fraction thereof, after incorporation of the municipality, the Secretary shall determine the number of all persons employed in the construction, operation, and maintenance of the project and the number of all persons employed by the United States for purposes other than the construction, operation, and maintenance of the project.

(c) The Secretary shall divide the cost for each year of project operation, or fraction thereof, after the incorporation of the municipality, of supplying water under subsection (a) of this section into two parts. The first such part shall bear the same ratio to the second such part as the number of all persons employed in the construction, operation, and maintenance of the project, as determined by the Secretary under subsection (b) of this section, bears to the number of all persons employed by the United States for purposes other than construction, operation, and maintenance of the project, as determined by the Secretary under subsection (b) of this section. Notwithstanding the provisions of this subsection, the first part as aforesaid shall in no instance exceed 65 percent of the total cost of furnishing water under subsection (a) of this section. Such total cost, less a sum equal to part 1 as aforesaid, shall constitute an amount whereby the obligation under section 2 of the Adjustment Act to repay to the Treasury advances and readvances to the Colorado River dam fund shall be diminished annually; and the rates computed pursuant to section 1 of said Act shall reflect such diminution.

(d) If the requirements of the municipality shall at any time exceed 3,650 gallons a minute, the Secretary may furnish whatever additional water and whatever additional carrying capacity may be needed. The municipality shall bear the full cost of furnishing such additional water; and, before the commencement of any construction to provide additional carrying capacity, the municipality shall enter into a repayment contract for the return to the United States of the full cost of furnishing such additional carrying capacity over a period of not more than 40 years from the date when the facilities providing such additional carrying capacity are placed in service. Interest not exceeding the rate of 3 percent per annum of the unamortized construction costs shall be paid.

(e) At the end of each period of 5 years after the date of incorporation of the municipality, the Secretary shall investigate the need for continuation of all or part of the assistance to the municipality provided under this section and shall report his findings and recommendations to the Congress as soon thereafter as practicable.

SEC. 10. In all sales, transfers, and grants of Federal property situated within the Boulder City municipal area the Secretary shall attach such conditions of use as he may deem reasonable and necessary to preserve those community standards consistent with the national use and enjoyment of the project. Such conditions shall include, without being limited to, restrictions against use of the property for the manufacture, sale, storage, or distribution of intoxicating liquors, or narcotics, or habit-forming drugs, or for gambling, prostitution, lewd or immoral conduct, or for the conduct of any unlawful purpose or undertaking. Upon the breach of any such condition by the grantee, his successors, assigns, or legal representatives, the instrument of transfer shall become null and void, and all right, title, and interest in and to the premises conveyed shall revert to the United States. This section, as well as all conditions attached pursuant thereto, shall expire at the end of the second year after the date of incorporation of the municipality or at such time as the United States may otherwise cease its operation and supervision of Boulder City: *Provided,* That, if at any time prior to the end of such 2-year period the governing authority of the municipality shall, by resolution, express the desire that one or more of the aforesaid conditions be terminated, such condition or conditions shall thereupon be extinguished by operation of law.

SEC. 11. The Secretary is authorized to enter into contracts with the municipality whereby either party might undertake to render to the other such services in aid of the performance of activities and functions of the municipality and of the Department within or near Boulder City as will in the Secretary's judgment contribute substantially to the efficiency or economy of the operations of the Department.

SEC. 12. Paragraph (3) of subsection 223 (a) of the National Housing Act, as amended, is hereby amended by changing the final semicolon in the paragraph to a comma and adding at the end of the paragraph the following: "of any permanent housing under the jurisdiction of the Department of the Interior constructed under the Boulder Canyon Project Act of December 21, 1928, as amended and supplemented, located within the Boulder City municipal area: *Provided,* That for purposes of the application of this title to sales by the Secretary of the Interior pursuant to subsections 3 (b) (1) and 3 (b) (2) of the Boulder City Act of 1955, the selling price of the property involved shall be deemed to be the appraised value; or."

SEC. 13. The provisions of this act for the disposal of federally owned property are to be carried out notwithstanding any other provisions of law: *Provided,* That nothing in this act shall be deemed to affect any existing right-of-way heretofore granted under the provisions of the Project Act or otherwise, or any rights reserved to the United States in connection with grants of such rights-of-way.

SEC. 14. This act shall be a supplement to the Project Act and the Adjustment Act, and said acts shall govern the administration of this act, except as is otherwise herein provided.

SEC. 15. The Secretary is hereby authorized, subject only to the provisions of this act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations and establish such terms and conditions as he may deem necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

SEC. 16. Except as provided in this section and in subsection (g) (2) of section 3 and subsection (c) of section 6 of this act, all authority of the Secretary under this act shall terminate at the expiration of fiscal year 1961, unless incorporation of the municipality shall previously have been achieved.

SEC. 17. The second and third provisos of the penultimate paragraph under the heading "Office of Education" in the Departments of Labor and Health, Education, and Welfare Appropriation Act, 1954 (67 Stat. 245, 250), are hereby repealed.

SEC. 18. This act may be cited as the "Boulder City Act of 1955."

Mr. MALONE. Mr. President, the bill to transfer Boulder City, now in Government ownership, to the people of that city is Senate bill 514. It provides for the disposal of certain Federal property in the Boulder City area to citizens through a municipality to be organized and incorporated under the laws of Nevada, and for other purposes.

Boulder City was created by the Secretary of the Interior in 1928 in connection with the construction of Boulder Dam, now Hoover Dam.

It was for the proper housing of the workers on the dam. It was created for the Government employees. It has lasted longer than it should have, as a Government-owned city. The people in the city of Boulder are willing and anxious to take over the property under certain fair and reasonable conditions. The Secretary of the Interior is favorable to the transfer of the property.

The purpose for which it was created was for the construction of the dam and the objective has been reached long since.

There are about 4,000 people there, with approximately 750 employed both by the Government and the utilities which have installed the generators and transmitted the power from Hoover Dam to the place of use.

It is my opinion that it is a good thing at this time to transfer the property to the people of Boulder City under the conditions incorporated in the bill, so they can purchase the property which they have been renting and buy Government-owned land on which their houses are located. The people must, of course, finally own their own homes and the business property if they are to prosper as any other town or city in our State—all of the conditions are set down in detail in the bill.

We have held hearings in Boulder City and have continued such hearings in Washington. The people have been heard. A subcommittee of the Committee on Interior and Insular Affairs reported the bill unanimously—and the full committee has reported it to the floor of the Senate in the same manner. I think it is a very fair bill for both the people and the Government, and I hope it will pass.

Mr. BIBLE. Mr. President, Senate bill 514 was reached on the call of the calendar day before yesterday. I should like to direct my remarks at this time to the attention of the Senator from Oregon [Mr. MORSE], who at that time raised certain questions concerning the disposal features of this particular legislation. A few moments ago the distinguished senior Senator from Nevada [Mr. MALONE] made a statement concerning disposal of this property.

Mr. MORSE rose.

Mr. BIBLE. Mr. President, I am very happy to yield to the senior Senator from Oregon in an attempt to clear up any questions he may have concerning the disposal of the houses covered by the pending bill.

Mr. MORSE. Mr. President, I think we can save the Senate a great deal of time if the Senator from Nevada will follow me in an analysis of the pending bill. As he knows, he and I have worked hard on the bill, and I am satisfied that the bill should pass, and that the Federal Government would receive adequate compensation for the property concerned, because of what the Government would receive in return under this transaction. I should appreciate it if the Senator from Nevada will follow me and feel free to break in at any point if he finds that any of this analysis is erroneous in fact.

Mr. BIBLE. I should be glad to do so.

Mr. MORSE. The bill, to which I objected on the call of the calendar because I had not had time, when it came up on the call of the calendar, to clear up questions relating to the policy which I have consistently followed with regard to the disposal of Federal property, provides for the disposal of Federal property located in an area of approximately 20 to 25 square miles to be designated as "Boulder City Municipal Area."

The disposal covers the following real property transfers:

First. Approximately 205 dwellings now owned and maintained by the Federal Government as rental units.

It has been made very clear that the Government employees who have been living in these units, many of them for a number of years, have been unable to buy the units. They have sought to buy the units, but under Government policy the units could not be sold to them. They have been paying rent for them. If they had been allowed to buy the units at the time they moved in, what they have been paying as rent would have built up a substantial equity in the properties. I think we must keep that in mind when we take into account the formula provided in the bill for the transfer of these 205 dwellings.

Second. Land now leased on long-term basis—maximum, 53 years—to Federal employees who have constructed their own homes on the leased lands.

What happened was that in some parts of this area the Government gave long leases to some employees, and they proceeded to build their own homes on the leased land. Now we have the problem of transferring to the owners of the homes the land on which the employees built their homes.

Third. Lands upon which business properties have been established under similar long-term lease arrangements.

Fourth. Unoccupied Federal lands in the Boulder city municipal area.

Fifth. School lands, buildings, and facilities in the area now owned by the Federal Government.

With respect to the 205 housing units mentioned above, the Government will dispose of the same to various individuals on a priority basis. The priorities are as follows:

First. Bureau of Reclamation employees and other Federal Government employees now occupying the dwelling units.

Second. Federal Government employees who are not tenants of the dwelling units.

Third. The general public who will be entitled to acquire unpurchased homes on a bid basis.

The priority purchasers of the dwellings would pay a price described by Senator BIBLE as constituting the book value. This value would be determined upon the basis of a formula set forth in the bill consisting of net costs of construction, operation, and maintenance of the Government-owned housing, less rentals. This would result in payment of less than the fair appraised market value, but would compensate the Federal Government for its out-of-pocket costs. In other words the Government would not realize any increase in inherent value of the dwellings.

We need to bear in mind a fact which I wish the Senator from Nevada would verify for the RECORD, because I am satisfied that it is a fact, and a very important fact in this connection. If we did not establish this municipality, the Government would have to maintain the municipality anyway, at considerable expense, because these employees are necessary in the operation of the Federal project to which the city, in effect, is really attached. The Federal project could not be operated unless we had these dwellings, these schools, and these businesses. Therefore all the taxpayers of the United States have a real interest in maintaining this municipality.

Mr. BIBLE. Mr. President, I thoroughly subscribe to the statement of the senior Senator from Oregon. I should like to point out that at the present time there are 600 Federal employees of the Bureau of Reclamation at this site. At least until 1987, which is the date when the present contract for the sale of electric energy terminates, I believe there will be substantially the same number of people there, so this municipality is a very important adjunct of the operation of the Bureau of Reclamation in Boulder City.

Mr. MORSE. I think that point goes to the essence of the question. The proponents of the bill justified the sale at average book value upon the following grounds:

First. Most tenants in these homes have occupied them for 10 or 15 years; for many years they have desired to purchase them outright, but the Reclamation Bureau has had no authority to sell.

Second. If fair appraised market value were to be paid as the purchase price, the Government in fairness and equity would have to deduct the value of improvements such as additional rooms, remodeling areas, garages, and the like placed upon the houses by the tenants. A cost of placing a valuation upon such improvements would be prohibitive.

With reference to the land which has been leased on long term to Federal employees who have constructed homes thereon, the employees would pay the fair appraised market value, but such payment would be made to the newly established municipality rather than to the Federal Government. In cases wherein ground-rent tenants refuse to purchase, the rentals would be paid to the newly established municipality rather than to the Federal Government.

The proponents of the bill have this answer to the suggestions that this con-

stitutes a Federal giveaway of assets to the municipality:

First. Since 1941 the Federal Government has been administering the Boulder City Municipal Area and this has constituted a burden upon the Federal Treasury to the extent of deficits totaling annually approximately $100,000 per year. The transfer of the property last mentioned will enable the newly established municipality literally to "get on its feet" and relieve the Federal Government of the annual $100,000 average deficit. However, it should also be mentioned that water will be supplied without charge to the new municipal area. It is estimated that the Government's share of the water subsidy will be $75,000 per annum. The water has to be raised 1,400 feet to the Boulder City tanks. Without such water Boulder City will resemble a desert area. It is the feeling of the proponents of the bill that the Government, which established the dam, has a continuing obligation of seeing to it that facilities in the area of the dam receive an adequate water supply.

Federal lands now comprising the school districts and the buildings and equipment thereon will also be transferred to the districts free of charge.

The proponents of the bill point out that under Public Law 152 the Federal Property and Administrative Services Act, section 203K (1) (a), the General Services Administrator could provide for the transfer of the school properties to the school districts without compensation. Federal transfer of hospital properties was made by GSA to the hospital district of this area in 1954.

The proponents of the bill feel that there will be a substantial savings in the administrative costs of running the schools although they concede that it is practically impossible to set this in terms of dollars and cents.

By way of summary, under the formula involved in the bill in respect to the payment which the Federal Government will receive for this property, the Federal Government will receive a substantial payment, giving credit, however, to the Government employees for the various equities they have in the property, with respect to which I think they are entitled to receive credit.

The Government will continue to receive from this municipality a value for the property over and above the cash amount which it receives from the property, because if this property were not maintained by the new owners, if the city were not maintained by its residents, the Federal Government itself would have to pay a substantial sum of money each year, which it will now save, in supplying Boulder Dam with the employees and the services those employees need in order to operate the dam.

So I am satisfied not only that the so-called Morse formula is complied with, but also that an analysis of the financial arrangements under the terms of the bill would show that the Federal Government would save money by transfer of the property as called for by the bill.

Therefore, I withdraw any objection which I previously raised.

Mr. BIBLE. Mr. President, I express my appreciation to the Senator from Oregon for his careful analysis of the pending bill.

I concur in his statements. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared, which is in the nature of a repetition of the statement I made in support of the bill on the call of the calendar.

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

STATEMENT BY SENATOR BIBLE

S. 514, as the title indicates, provides for the disposal of certain Federal property in the Boulder City area in the vicinity of Hoover Dam on the Colorado River. It also provides assistance in the establishment of a municipality to be incorporated under the laws of Nevada.

This measure had its origin in a virtual mandate from the Appropriations Committees of the Congress as far back as 1948 that the Federal Government should divest itself of strictly municipal functions under which deficits were mounting. Up to this year the total deficits on strictly municipal operations since 1941 amount to approximately $1,400,000.

The Secretary of the Interior in 1950 had Dr. Reining, of the University of Southern California, make an objective survey of Boulder City. In the main, his recommendations were modified by the Department, the Bureau of the Budget, and the Committee on Interior and Insular Affairs.

Public hearings were held at Boulder City in May of this year, when the local people were given full opportunity to express their opinions. Following these hearings, a special subcommittee, of the parent committee of the Senate reviewed the entire record and recommended certain amendments to S. 514 which are outlined in Report No. 1091.

It should be pointed out that the Federal Government has an investment of more than $150 million in Hoover Dam and powerplant, which is the vital source of electric energy for southern California, Arizona, and Nevada. In addition, it is the regional headquarters of the Bureau of Reclamation. The Bureau of Mines has an important installation there and the National Park Service operates the Lake Mead recreational area.

More than 2 million persons, from every State in the Union and many foreign countries visit Hoover Dam and the Lake Mead recreational area annually. While a charge is made for inspection of the dam and for the recreational facilities, none of the proceeds would go to defray municipal costs that are incident to handling this vast number of visitors, most of whom pass through Boulder City.

Under the provisions of the bill, the Government would recoup its investment of $1½ million in more than 200 homes that are owned by the Government and which it is now renting to its employees. The Federal Government owns all of the land in the city, on which approximately 800 private homes and commercial buildings have been built. This land is under long-term leases with a maximum term of 53 years. All of this land not needed for Federal activities would be transferred to the municipality, subject to existing leases. School property constructed by the Government at a cost of approximately $1,700,000 would be transferred to the local school district. A special fund made up of revenues from the disposal of Federal property would be set up. From this fund an appropriation of $395,000 would be authorized for the deferred maintenance of city facilities and utilities and for providing additional facilities and utilities in the Lake View addition area.

Up to 19,500 kilowatt-hours of power from Hoover Dam would be made available to the city for resale in the municipal area.

The Federal Government would deliver water to the municipality which is filtered and potable.

Every 5 years after the act goes into effect the Secretary of the Interior would be required to investigate the need for continuance of all or part of the water supply and make recommendations to the Congress. In all, the bill seeks to reduce the Federal supervision of strictly municipal operations and place responsibility on the local residents, of whom there are approximately 4,000. About half of this 4,000 include employees of the Federal Government and their families.

Mr. BIBLE. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1108, H. R. 6454.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 6454) to amend the joint resolution approved August 13, 1954, relating to the establishment of the Woodrow Wilson Centennial Commission, and for other purposes.

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

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

Mr. CLEMENTS. Mr. President, the purpose of the proposed legislation is to authorize additional appropriations to assist the Woodrow Wilson Centennial Celebration Commission to carry out its plans for the celebration in 1956 of the 100th anniversary of Woodrow Wilson's birth in Staunton, Va.

Public Law 705 of the 83d Congress (68 Stat. 964, 965), approved August 30, 1954, established a Commission to be composed of 12 members to develop and execute plans for celebrating in 1956 the 100th anniversary of the birth of Woodrow Wilson in Staunton, Va.

The committee has been advised that the plans and programs that the Commission should undertake to carry out an effective program cannot be accomplished with the $10,000 previously appropriated in the 83d Congress.

The Commission, after careful study, has submitted to the committee a proposed budget calling for the appropriation of $41,500 in addition to the original $10,000 appropriated in the 83d Congress.

Mr. President, I ask unanimous consent that a statement prepared by the senior Senator from New Jersey [Mr.

SMITH] be printed in the RECORD at this point.

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

STATEMENT BY SENATOR SMITH OF NEW JERSEY

I should like to express my thanks to the junior Senator from Wyoming and to the other members of the Committee on the Judiciary for favorably reporting H. R. 6454 authorizing additional appropriations to assist the Woodrow Wilson Centennial Celebration Commission in carrying out its plans for the 1956 celebration of the birth of our former great President.

As a Senator from the State of New Jersey, where Woodrow Wilson served as Governor and also as president of Princeton University, I have the honor of being Vice Chairman of the Commission. My distinguished colleague, the junior Senator from Virginia, is the other Member of the Senate who serves on the Commission.

I am confident that the funds authorized today will be used to assure that the celebration next year will be successful and will do great honor to a famous President who gave so much to his country and to the world.

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

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

THE CAPITAL TRANSIT STRIKE

Mr. MORSE. Mr. President, I wonder whether the Senator from Kentucky can advise us as to what plans, if any, he has for bringing before the Senate by motion the bill reported by the Committee on the District of Columbia relative to the transit situation in the District of Columbia. As he can well imagine, members of the committee are being subjected to inquiries almost every hour as to whether the bill will be scheduled for action before adjournment. We believe that the District of Columbia Commissioners are entitled to action on the bill. I believe that the Senate at least ought to absolve itself of any responsibility of not taking any action on the request of the District of Columbia Commissioners.

I wonder whether the acting majority leader could advise the Senate as to when the bill may be brought up in the Senate.

Mr. CLEMENTS. I am glad to state to my friend from Oregon that I too am interested in getting some action on that measure. It has been in the Senate a very short time, and there has been very little opportunity up to now to follow the normal procedure in programing it for consideration. I can assure the Senator that procedures will be put in motion and that sometime on tomorrow I shall be pleased to further discuss the matter with the Senator, and perhaps we can then set a date for the consideration of the bill.

Mr. MORSE. I appreciate the Senator's courteous reply.

PROCEEDINGS AGAINST JOSEPH STAROBIN FOR CONTEMPT OF THE SENATE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 830, Senate Resolution 129.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 129) to certify the report of the Committee on the Judiciary to the United States attorney for the District of Columbia to the end that Joseph Starobin may be proceeded against in the manner and form provided by law.

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

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

Mr. EASTLAND. Mr. President, Mr. Starobin was contemptuous of the Senate Internal Security Subcommittee. I ask unanimous consent to have printed in the RECORD at this point a statement of the grounds on which he was guilty of contempt.

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

BASIS FOR CONTEMPT CITATION

JOSEPH STAROBIN (S. RES. 129, ORDER NO. 830)

Claimed privilege improperly by refusing to answer, where—

1. No disclosure was involved.
2. Purpose was to protect others.

Refused to answer a question about certain friends from whom he had borrowed money, and stated: "I consider that the Constitution protects me and the confidence that other people have shown in me."

Refused to answer a question about money received from Cameron & Kahn, and stated: "I simply declined on the grounds that I did not think it was the proper area of questioning."

Refused to answer on ground question improper and irrelevant, after committee had overruled his objection on that ground.

Starobin refused to answer questions with respect to:

1. His Communist record.
2. Persons from whom he borrowed money which was paid over to Cameron & Kahn, Matusow's publishers.
3. Certain of his financial transactions with money which he received from Cameron & Kahn.
4. His travels abroad.
5. His acquaintanceship with known Communist leaders.

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

The resolution was agreed to, as follows:

Resolved, That the President of the Senate certify the report of the Committee on the Judiciary of the United States Senate as to the refusal of Joseph Starobin to answer questions before the Senate Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary of the United States Senate, said refusal to answer being pertinent to the subject matter under inquiry together with all the facts in connection therewith, under the seal of the United States Senate to the United States attorney for the District of Columbia, to the end that the said Joseph Starobin may be proceeded against in the manner and form provided by law.

PROCEEDINGS AGAINST HARRY SACHER FOR CONTEMPT OF THE SENATE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 831, Senate Resolution 130.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 130) to certify the report of the Committee on the Judiciary to the United States attorney for the District of Columbia to the end that Harry Sacher may be proceeded against in the manner and form provided by law.

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

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

Mr. EASTLAND. Mr. President, Mr. Sacher deliberately defied the committee, and did not invoke the fifth amendment. He specifically disavowed any claim of the fifth amendment privilege, and challenged the committee's jurisdiction and the propriety of the questions asked him.

Asked whether he was a member of the Communist Party of the United States of America, Sacher replied:

I refuse, I refuse categorically, Mr. Chairman, to discuss my beliefs, religious, political, economic, or social. I do not do so on the ground of the fifth amendment. I do so because it is inconsistent with the dignity of any man to be compelled to disclose his political, religious, economic, social, or any other views.

The Senator from Arkansas [Mr. MCCLELLAN], who was presiding, stated:

Senator MCCLELLAN. Well, the Chair does not think that it is beneath the dignity of a good citizen of the United States to answer a question as to whether he is a member of an organization that seeks the overthrow of this Government by force and violence, and therefore, the Chair propounds to you now the question, Are you now a member of the Communist Party of the United States?

Mr. SACHER. Mr. Chairman, medieval inquisitors also thought there was no impropriety in asking those whom they regarded as heretics to answer the question.

Senator MCCLELLAN. The Chair does not care for a lecture. The Chair asked you a question.

Mr. SACHER. And I decline to answer that question, Mr. Chairman.

Senator MCCLELLAN. The Chair orders you to answer the question.

Mr. SACHER. I decline to answer that question on the grounds I have already stated.

Sacher declined to answer questions as to whether, first, he was a member of the Communist Party; second, whether he had ever been a member of the Communist Party; and, third, whether he was or is a member of the Lawyers Section of the Communist Party, United States of America.

Sacher was not being questioned about his representation of clients He was being questioned about his own part in the Communist conspiracy. He was also questioned about his part in the Matusow case. However, the committee was under no compulsion to limit itself to questions on that case alone.

The record shows it did not so limit itself.

There was a valid legislative purpose for the questions asked of Sacher. He had no right to defy the subcommittee.

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

Mr. CLEMENTS. Mr. President, the senior Senator from North Dakota [Mr. LANGER] has left word that he would like an opportunity to be heard on this particular resolution. I hope that my friend from Mississippi will be in agreement with a request which I am about to make, that the Senate temporarily lay aside the resolution and proceed with another measure, with the understanding that we will return to the consideration of this resolution upon the return to the floor of the senior Senator from North Dakota.

Mr. EASTLAND. That is agreeable.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that Senate Resolution 130 be temporarily laid aside.

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

AMENDMENT OF ACT OF APRIL 23, 1930, RELATING TO A UNIFORM RETIREMENT DATE FOR AUTHORIZED RETIREMENTS OF FEDERAL PERSONNEL

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 520, Senate bill 912.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 912) to amend the act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with an amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CLEMENTS. Mr. President, I ask unanimous consent that Senate bill 912 be temporarily laid aside.

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

Mr. CLEMENTS. That does not mean, Mr. President, that the measure will not be taken up. It will probably be considered tomorrow.

TRANSMISSION THROUGH THE MAILS OF CERTAIN KEYS, IDENTIFICATION DEVICES, AND SMALL ARTICLES

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 864, House bill 4808.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4808) to authorize the transmission through the mails of certain keys, identification devices, and small articles, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with amendments on page 2, line 11, after the number "3", to strike out "This" and insert "The foregoing provisions of this", and after line 13, to insert:

SEC. 4. (a) Subsection (e) of section 202 of the Legislative Reorganization Act of 1946, as amended, is amended to read as follows:

"(e) The professional staff members of the standing committees of each House, and the clerical staff members of standing committees of the House of Representatives, shall receive annual basic compensation in amounts to be fixed by the respective chairmen thereof. The annual basic compensation of each professional staff member shall not be less than $5,000 or more than the highest amount which, together with additional compensation authorized by law will not exceed the maximum rate authorized by section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Congress), as amended. The annual basic compensation of each such clerical staff member shall not exceed the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Congress), as amended."

(b) The joint resolution entitled "Joint resolution providing for a more effective staff organization for standing committees of the Senate," approved February 19, 1947, as amended, is amended by striking out "$8,000" wherever it appears therein and inserting in lieu thereof "the highest amount which, together with additional compensation authorized by law will not exceed the maximum rate authorized by section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Cong.), as amended."

(c) (1) This subsection is enacted as an exercise of the rulemaking power of the House of Representatives with full recognition of the constitutional right of the House of Representatives to change the rule amended by this subsection at any time, in the same manner, and to the same extent as in the case of any other rule of the House of Representatives.

(2) Clause 27 (c) of rule XI of the Rules of the House of Representatives is amended to read as follows:

"(c) The professional staff members and the clerical staff members of the standing committees shall receive annual basic compensation in amounts to be fixed by the respective chairmen thereof. The annual basic compensation of each professional staff member shall not be less than $5,000 or more than the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Cong.), as amended. The annual basic compensation of each clerical staff member shall not exceed the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by section 2 (b) of the act of October 14, 1951 (Public Law 201, 82d Cong.), as amended."

(d) The amendments made by this section shall take effect as of July 1, 1955.

(e) Notwithstanding the third proviso in the paragraph relating to the authority of chairmen of standing committees of the Senate to rearrange the basic salaries of employees of such committees, which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U. S. C., 60f), any increase in the compensation of an employee of a standing committee of the Senate shall take effect on July 1, 1955, if (1) the certification filed by such committee chairman under such proviso so provides, and (2) such certification is filed in the disbursing office of the Senate not later than 5 days following the date of enactment of this act.

Mr. JOHNSTON of South Carolina obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KNOWLAND. Do I correctly understand that the Senator from South Carolina proposes that the amendments made by the committee be stricken, and thus leave the bill in its original form as passed by the House?

Mr. JOHNSTON of South Carolina. It is my intention to do that, and to leave the bill as it was originally passed by the House.

Mr. KNOWLAND. I understand. So the bill will relate only to the original subject matter shown in the title of the bill.

Mr. JOHNSTON of South Carolina. Yes. That was requested by the Department. It is said that it will cost practically nothing.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. CLEMENTS. Under the Senator's proposal will the bill be left in the same form as it passed the House?

Mr. JOHNSTON of South Carolina. The committee, of which I am a member, asked that the committee amendments be rejected, and I have authority to make such a request. The bill will then be in the form in which it came from the House.

Mr. KNOWLAND. Do I understand correctly that all the committee amendments will be stricken?

Mr. JOHNSTON of South Carolina. All the committee amendments will be stricken.

The PRESIDING OFFICER. Does the Chair correctly understand the request of the Senator from South Carolina to be that the committee amendments be rejected?

Mr. JOHNSTON of South Carolina. I ask that the committee amendments be rejected.

The PRESIDING OFFICER. Does the Senator from South Carolina ask that the committee amendments be rejected en bloc?

Mr. JOHNSTON of South Carolina. En bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are rejected en bloc.

The question is on the third reading and passage of the bill.

The bill was read the third time and passed.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937 AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1053, H. R. 4744. I wish it to be understood that it is not proposed to have this measure debated today; it is merely to 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. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act.

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

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

ORDER FOR ADJOURNMENT TO 11 A. M. TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its work today, it stand adjourned until 11 o'clock tomorrow morning.

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

PROGRAM FOR TOMORROW

Mr. CLEMENTS. On tomorrow, it is proposed to have the Senate consider the treaty with Panama, which is on the Executive Calendar.

Besides H. R. 4744, relating to the amendment of the Railroad Retirement Act, which has been made the unfinished business, it is proposed to have the Senate consider the following bills:

Calendar No. 1085, S. 2442, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, and for other purposes.

Calendar No. 1152, S. 2630, to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities.

These bills will be taken up tomorrow, following the call of the calendar of bills not objected to.

Mr. KNOWLAND. May I inquire of the distinguished acting majority leader if he has determined whether the nomination which was reported adversely will be considered tomorrow or on Friday?

Mr. CLEMENTS. If time permits tomorrow, I should like to have the nomination considered, and shall so move.

Mr. KNOWLAND. I thank the Senator.

Mr. CLEMENTS. Mr. President, I wish to announce that tomorrow, following the morning hour, the first order of business will be the consideration of H. R. 4774, the railroad-retirement bill, which will be followed by the call of the calendar to bills to which there is no objection.

The PRESIDING OFFICER. The request of the Senator from Kentucky requires a modification of the existing unanimous-consent agreement.

Mr. CLEMENTS. That is correct. I now ask unanimous consent that the modification be made.

The PRESIDING OFFICER. Without objection, the unanimous-consent agreement is so modified.

Mr. CLEMENTS. I wish to announce also that if time is available tomorrow, the measures which are not considered to be calendar business, and which do not pass on the call of the calendar, will be subject to consideration by the Senate, if they can be properly programed under the normal procedure.

ADJOURNMENT TO 11 A. M. TOMORROW

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. CLEMENTS. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand adjourned until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 54 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Thursday, July 28, 1955, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 27, 1955:

DEPARTMENT OF STATE

Francis O. Wilcox, of Iowa, to be an Assistant Secretary of State.

INTERNATIONAL DEVELOPMENT ADVISORY BOARD

Eric A. Johnston, of Washington, to be Chairman of the International Development Advisory Board.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 27, 1955:

DIPLOMATIC SERVICE

Julian F. Harrington, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

Charles W. Yost, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos.

MINT OF THE UNITED STATES AT SAN FRANCISCO, CALIF.

Arthur C. Carmichael, of California, to be Superintendent of the Mint of the United States at San Francisco, Calif.

TAX COURT OF THE UNITED STATES

Craig S. Atkins, of Maryland, to be judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1950.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 27, 1955:

POSTMASTER

John P. Ivers to be postmaster at Oceanlake, in the State of Oregon.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 27, 1955

The House met at 12 o'clock noon.

Rev. W. E. Howard, First Baptist Church, Victoria, Tex., offered the following prayer:

Our Father which art in Heaven, hallowed be Thy name. Thy Kingdom come. Thy will be done on earth, as it is in Heaven.

We thank Thee that we have assurance today that our prayers are heard. We know that it is because of Thy Son and His atoning work.

Our hearts are filled with gratitude for Thy providence that has overshadowed our Nation through the years. We praise Thy name, O Lord, for the heritage that is ours, for those who have worked, suffered, and sacrificed to preserve our liberties. We ask Thy blessings to continue upon us according to Thy loving kindness and tender mercies.

We pray for his honor, the President of our United States. Sustain and guide him.

Continue Thy blessings upon the chairman of this assembly. Grant unto him Thy grace.

Bless this assembly. Give each one courage, conviction, and vision that will be pleasing in Thy sight. As they serve Thee and Thy people, grant to them peace and joy that comes because of your purpose and presence with us. Let Thy pleasure shine upon the people they represent.

Forgive our sins, we pray in the name of Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7301. An act to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 56. An act authorizing construction of certain public works on the Mississippi River for the protection of St. Louis, Mo.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is

requested, a bill of the House of the following title:

H. R. 7278. An act making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. STENNIS, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, Mr. KNOWLAND, and Mr. THYE to be the conferees on the part of the Senate.

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 Senate to the bill (H. R. 2851) entitled "An act to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress."

JOHN THOMAS GOJACK

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 315, 84th Congress, he did, on today, July 27, 1955, certify to the United States attorney, District of Columbia, the refusal of John Thomas Gojack to answer questions before the Committee on Un-American Activities.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 112 (N) (8) OF THE INTERNAL REVENUE CODE OF 1939

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means I ask unanimous consent for the immediate consideration of the bill (H. R. 257) to amend section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces, which was favorably reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

Mr. JENKINS. Mr. Speaker, reserving the right to object, and I am not going to object, I want to take this time to make a short statement. The Ways and Means Committee has recommended unanimously several bills that the distinguished gentleman from Tennessee will present for consideration. Naturally he will not have time to discuss or to explain them; neither will I, but may I say that all of them have been thoroughly considered by the Committee on Ways and Means and this committee has unanimously agreed to and recommended the passage of all these bills to the House of Representatives.

With that, Mr. Speaker, I shall ask that I may be permitted to extend my remarks at the conclusion of the consideration of each of these bills as they are taken up.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I want to congratulate the chairman of the Committee on Ways and Means and all of the members of that committee for the profound consideration they have given various bills introduced by the Members. I want the chairman and the members of the Committee on Ways and Means to know that the membership appreciates this very much.

Mr. JENKINS. On behalf of myself and all the members of the Ways and Means Committee, I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 112 (n) (8) of the Internal Revenue Code of 1939 (relating to the suspension of certain periods of limitation while the taxpayer is on extended active duty with the Armed Forces) is hereby amended by striking out "and before January 1, 1954, except that any such period" and inserting in lieu thereof the following: "and during an induction period (as defined in section 112 (c) (5) of the Internal Revenue Code of 1954), except that any such period of time."

SEC. 2. The amendment made by this act shall take effect as of December 31, 1953.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and I also ask unanimous consent that following the consideration of each bill I may be permitted to extend my remarks in the RECORD at that point giving a brief explanation of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, under existing law recognition of capital gains resulting from the sale of a taxpayer's principal residence is postponed if the proceeds are used to acquire a new residence within 1 year of the date of the sale or if a new residence is constructed within 18 months of such sale. However, with respect to members of the Armed Forces of the United States who are on extended active duty after the date of such a sale, existing law provides that the time limitations just mentioned will not apply if the taxpayer purchases or constructs a new residence within 4 years from the date of selling his old residence. But the tax treatment is restricted to sales of residences occurring after December 31, 1953, by the 1954 code, while the 1939 code, which applies to cases where the sale of such residences occurred prior to January 1, 1954, imposes a January 1, 1954, cutoff date. The resulting hiatus operates to deny the privilege of postponing the running of the replacement period beyond December 31, 1953, for those who, while on extended active duty, sold their residences prior to January 1, 1954.

H. R. 257 removes the resulting discrimination against those who sold their residences prior to January 1, 1954, by amending the 1939 Internal Revenue Code to conform with the changes made in the 1954 code.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 257 amends section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces. The purpose of the bill is to remove an unintentional discrimination against those in the Armed Forces of the United States who have sold or exchanged their residences prior to January 1, 1954. The bill was reported unanimously. It was introduced by the distinguished gentleman from Wisconsin [Mr. BYRNES], who is to be congratulated for bringing this matter to the attention of our committee.

USE OF CORPORATION PROPERTY BY SHAREHOLDER

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 2553) to amend section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950 (relating to use of corporation property by a shareholder), is hereby amended as follows:

"Section 502 (f) of the Internal Revenue Code of 1939 (relating to use of corporation property by a shareholder) shall not apply with respect to rents received during taxable years ending after December 31, 1945, and before January 1, 1954, if such rents were received for the use by the lessee, in the operation of a bona fide commercial, industrial, or mining enterprise, of property of the taxpayer."

With the following committee amendment:

Strike out all after the enacting clause and insert "That section 223 of the Revenue Act of 1950 (relating to use of corporation property by a shareholder) is hereby amended by striking out 'January 1, 1950' and inserting in lieu thereof 'January 1, 1954'.

"SEC. 2. No interest shall be allowed or paid on any overpayment resulting from the amendment made by the first section of this act."

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill to amend section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder."

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, H. R. 2553 qualifies the application of section 502 (f) of the Internal Revenue Code of 1939 to provide that personal holding company income is not to include rents received during taxable years ended after December 31, 1945, and before January 1, 1954, if the rents are paid for the use of property of a corporation which is used in the operation of a bona fide commercial, industrial or mining enterprise. The steps taken by this bill are necessary to relieve the anomalous situation existing under present law whereby the rental of property by a corporation to its principal stockholders in these cases is simple income, with respect to the years 1946 through 1949 and for 1954 and subsequent years, but is classified as personal holding company income subject to the penalty surtax of 75 or 85 percent for the years 1950 through 1953.

The Committee on Ways and Means voted unanimously to remove this anomaly and reported H. R. 2553 unanimously. I urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 2553 amends section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder. The bill was reported unanimously by the Committee on Ways and Means.

AMENDING SECTION 3401 OF THE INTERNAL REVENUE CODE OF 1954

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 4394) to amend section 3401 of the Internal Revenue Code of 1954, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (a) of section 3401 of the Internal Revenue Code of 1954 is amended to real as follows:

"SEC. 3401. Definitions.

"(a) Wages: For purposes of this chapter, the term 'wages' means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

"(1) for active service as a member of the Armed Forces of the United States performed in a month for which such member is entitled to the benefits of section 112; or

"(2) for agricultural labor (as defined in sec. 3121 (g)); or

"(3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority; or

"(4) for service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

"(A) on each of some 24 days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business; or

"(B) such individual was regularly employed (as determined under subparagraph (A)) by such employer in the performance of such service during the preceding calendar quarter; or

"(5) for services by a citizen or resident of the United States for a foreign government or an international organization; or

"(6) for services performed by a nonresident alien individual, other than—

"(A) a resident of a contiguous country who enters and leaves the United States at frequent intervals; or

"(B) a resident of Puerto Rico if such services are performed as an employee of the United States or any agency thereof; or

"(7) for such services, performed by a nonresident alien individual who is a resident of a contiguous country and who enters and leaves the United States at frequent intervals, as may be designated by regulations prescribed by the Secretary or his delegate; or

"(8) (A) for services for an employer (other than the United States or any agency thereof)—

"(i) performed by a citizen of the United States if, at the time of the payment of such remuneration, it is reasonable to believe that such remuneration will be excluded from gross income under section 911; or

"(ii) performed in a foreign country or in a possession of the United States by such a citizen if, at the time of the payment of such remuneration, the employer is required by the law of such foreign country or possession of the United States to withhold income tax upon such remuneration; or

"(B) for services for an employer (other than the United States or any agency thereof) performed by a citizen of the United States within a possession of the United States (other than Puerto Rico), if it is reasonable to believe that at least 80 percent of the remuneration to be paid to the employee by such employer during the calendar year will be for such services; or

"(C) for services for an employer (other than the United States or any agency thereof) performed by a citizen of the United States within Puerto Rico, if it is reasonable to believe that during the entire calendar year the employee will be a bona fide resident of Puerto Rico; or

"(9) for services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

"(10) (A) for services performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution; or

"(B) for services performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such services, or is entitled to be credited with the unsold newspapers or magazines turned back; or

"(11) for services not in the course of the employer's trade or business, to the extent paid in any medium other than cash; or

"(12) to, or on behalf of, an employee or his beneficiary—

"(A) from or to a trust described in section 401 (a) which is exempt from tax under section 501 (a) at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust; or

"(B) under or to an annuity plan which, at the time of such payment, meets the requirements of section 401 (a) (3), (4), (5), and (6)."

With the following committee amendment:

Page 4, line 4, strike out "such" and insert "any."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, under present law the withholding provisions of the Internal Revenue Code operate to require an employer who is doing business in Puerto Rice or a possession of the United States to deduct not only the Federal income tax, but in addition the income tax of Puerto Rico or of the possession as well. Jobs in Puerto Rico or in the United States possessions are made unattractive to potential employees by this double withholding. The requirement is also unnecessary since the foreign-tax credit usually permitted to such employees eventually relieves the employee of all or most of the Federal income-tax liability.

To rectify this situation H. R. 4394 provides that an employer—other than the United States Government—need not withhold the Federal income tax from amounts paid as compensation for personal services performed in a possession of the United States or Puerto Rico if the law of the possession or Puerto Rico requires the withholding of income on amounts paid for such services.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption.

Mr. JENKINS. Mr. Speaker, H. R. 4394 amends section 3401 of the Internal Revenue Code of 1954 to provide that there is to be no withholding of United States income tax on remuneration paid for services performed in a possession of the United States by a United States citizen if the employer is required by law of the possession to withhold income tax on the remuneration. In other words, this bill is intended to prevent

double withholding. It was reported unanimously by the Committee on Ways and Means.

AUTHORIZING SUBPENAS IN CONNECTION WITH ENFORCEMENT OF NARCOTIC LAWS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7018) to authorize subpenas in connection with the enforcement of the narcotic laws, and for other purposes, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of any investigation which, in the opinion of the Secretary of the Treasury, is necessary and proper to the enforcement of the laws of the United States relating to narcotic drugs and marihuana, the Secretary of the Treasury is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any records (including books, papers, documents, and tangible things which constitute or contain evidence) which the Secretary of the Treasury finds relevant or material to the investigation. The attendance of witnesses and the production of records may be required from any place in any State or in any Territory or other place subject to the jurisdiction of the United States at any designated place of hearing: *Provided*, That a witness shall not be required to appear at any hearing distant more than 100 miles from the place where he was served with subpena. Witnesses summoned by the Secretary of the Treasury shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

SEC. 2. A subpena of the Secretary of the Treasury may be served by any person designated in the subpena to serve it. Service upon a natural person may be made by personal delivery of the subpena to him. Service may be made upon a domestic or foreign corporation or upon a partnership or other unincorporated association which is subject to suit under a common name, by delivering the subpena to an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process. The affidavit of the person serving the subpena entered on a true copy thereof by the person serving it shall be proof of service.

SEC. 3. In case of contumacy by, or refusal to obey a subpena issued to, any person, the Secretary of the Treasury may invoke the aid of any court of the United States within the jurisdiction of which the investigation is carried on or of which the subpenaed person is an inhabitant, carries on business or may be found, to compel compliance with the subpena of the Secretary of the Treasury. The court may issue an order requiring the subpenaed person to appear before the Secretary of the Treasury there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey the order of the court may be punished by the court as a contempt thereof. All process in any such case may be served in the judicial district whereof the subpenaed person is an inhabitant or wherever he may be found.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, present law provides no authority to the Secretary of the Treasury to subpena witnesses or to order the production of books and records with respect to the enforcement of the laws of the United States relating to narcotic drugs and marihuana. This lack of authority handicaps enforcement officers of the Treasury Department who can obtain subpenas through the Federal courts only upon a showing of sufficient evidence.

H. R. 7018 would grant the Secretary of the Treasury authority to summon persons, papers, and books and records to assist in the enforcement of the narcotic and marihuana laws of the United States. In addition, the bill will establish a contempt procedure as a means of compelling compliance with any summons issued pursuant to the authority granted.

The Treasury Department recommended this bill, and it was unanimously reported by the Committee on Ways and Means. I therefore urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 7018 authorizes the Secretary of the Treasury to administer oaths and affirmations, subpena witnesses and compel their attendance, take evidence, and require the production of any records which the Secretary finds necessary or relevant to an investigation in connection with the enforcement of laws pertaining to narcotic drugs and marihuana. The bill was reported unanimously by the Committee on Ways and Means.

EXTENDING PERIOD FOR EXERCISE OF RESTRICTED STOCK OPTIONS AFTER TERMINATION OF EMPLOYMENT

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7064) to amend section 421 (a) of the Internal Revenue Code of 1954 to extend the period for exercise of restricted stock options after termination of employment, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 421 (a) of the Internal Revenue Code of 1954 is amended by striking out "3 months" and inserting in lieu thereof "6 months."

SPECIAL RULE FOR PRIOR TERMINATIONS

SEC. 2. The period of 1 year referred to in the last sentence of section 421 (a) of the Internal Revenue Code of 1954 shall in no event be deemed to expire prior to 6 months after the date of enactment of this act.

EFFECTIVE DATE

SEC. 3. The provisions of sections 1 and 2 shall be effective only with respect to transfers of stock made after December 31, 1953.

With the following committee amendments:

Page 1, line 5, strike out "six" and insert "6."

Page 1, strike out line 6 down to and including line 4 on page 2 and insert:

"SEC. 2. The amendment made by the first section of this act shall apply with respect to taxable years after December 31, 1954, but only with respect to options exercised after such date."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, among the special rules provided in the Internal Revenue Code for employee restricted stock options there is a provision that requires an employee to exercise any option granted to him within 3 months of the time that the employee quits the service of the granting employer.

Frequently this rule works hardships upon employees who, upon being separated from the service of an employer, find it necessary to devote their attention to finding a new job, or to adjusting themselves to a new position. While so engaged they often overlook the necessity for exercising their stock option within the 3-month period presently permitted. In addition, the individual may find himself short of funds in the period immediately after separation from a job because of unusual expenses incurred in moving to a new location or adjusting himself to new circumstances. For these reasons, H. R. 7064 extends the time in which an employee may exercise a restricted stock option to within 6 months following separation from the service of the employer who grants the option.

This bill has been reported unanimously by the Committee on Ways and Means. I urge that it be passed.

Mr. JENKINS. Mr. Speaker, H. R. 7064 amends the stock option provision contained in section 421 of the Internal Revenue Code of 1954. It provides that an employee who has been separated from the service of an employer issuing a stock option is to have until 6 months after such separation, instead of 3 months as is provided by present law, to exercise such option if he is to obtain the tax deferment and capital gains treatment provided for restricted stock options. The change made by this bill is to be effective with respect to stock options exercised after December 31, 1954 in the case of years ending after that date. This bill was reported unanimously by the Committee on Ways and Means.

ALLOWANCE OF CREDITS FOR DIVIDENDS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7282) relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with

respect to its capital gains, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 117 (c) (1) (A) of the Internal Revenue Code of 1939 is hereby amended by inserting after the word "reduced" the following: "(except for the purposes of determining the credits allowable under subsections (b), (h), and (i) of section 26)."

SEC. 2. The amentment made by section 1 shall be applicable with respect to taxable years beginning after December 31, 1951, and before January 1, 1954.

With the following committee amendment:

Page 2, line 2, after the period insert "No interest shall be allowed or paid on any overpayment resulting from such amendment."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the intercorporate dividends-received credit permitted under the 1939 Internal Revenue Code was 85 percent of the dividends received. However, a limitation was imposed providing that the credit should not exceed 85 percent of the adjusted net income of the taxpayer computed without regard to the deduction allowed for a net operating loss. A similar limitation was imposed in the case of dividends paid on certain preferred stock of public utility companies. There the credit was limited to a percentage of the amount of dividends paid or to the percentage applied to the adjusted net income of the taxpayer less the credits for dividends received. Also in the case of Western Hemisphere trade corporations the intercorporate dividends-received credit was limited to a percentage of the normal tax net income.

The limitations imposed upon the credit in these cases posed the question as to whether net income for purposes of computing the limitation is to include capital gains which, under the alternative computation provided by law, are taxed at a maximum effective rate of 25 percent regardless of the tax rate otherwise applied for purposes of computing the tax.

Until 1952 it was the generally accepted administrative practice of the Bureau of Internal Revenue to accept computations of the intercorporate dividends-received credit which included capital gains in net income for purposes of the credit. However, beginning in 1952 some doubt was cast upon this practice which was not settled by a definitive ruling until 1954. As a result of this situation, the Committee on Ways and Means believes that taxpayers may have been confused to their detriment. Therefore, H. R. 7282 provides that for taxable years beginning after December 31, 1951, and before January 1, 1954, qualifying corporations may compute the incorporate dividends-received credit, the credit for dividends paid on certain preferred stock of utility corporations, and the credit for Western Hemisphere trade corporations by including in the net income of the corporation the excess of net long term capital gains over short term capital losses.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 7282 provides that in the computation of the credits for corporate dividends received, for dividends paid on certain preferred stock and for Western Hemisphere trade corporations, a corporation's net income under the 1939 Code is to be determined without reduction for the excess of the long-term capital gain over the net short-term capital loss. This bill was reported unanimously by the Committee on Ways and Means.

TAX TREATMENT OF INCOME RECEIVED FROM PATENT INFRINGEMENT SUITS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7300) to amend the Internal Revenue Code of 1954 with respect to the tax treatment of income received from patent infringment suits, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1302 (a) (3) of the Internal Revenue Code of 1954 (relating to income from an invention or artistic work) is hereby amended by adding at the end thereof the following new subsection: "and

"(4) in one taxable year, income is received or accrued after the commencement of court proceedings, by an owner of a patent or copyright or an undivided interest therein in respect of either an infringement of such patent or copyright or a use or manufacture of the thing patented or copyrighted by the United States without license, which infringement or which use or manufacture occurred over a period at least a part of which was prior to such taxable year,

then the tax attributable to the inclusion of such income in gross income for the taxable year shall not be greater than the aggregate of the increases in taxes which would have resulted if such income had been included in the gross income of such owner in equal increments over the months during which such infringement or such use or manufacture occurred."

With the following committee amendment:

Strike out all after the enacting clause and insert "That (a) part I of subchapter Q of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by renumbering section 1304 as section 1305, and by inserting after section 1303 the following new section:

"SEC. 1304. Compensatory damages for patent infringement.

"'If an amount representing compensatory damages is received or accrued by a taxpayer during a taxable year as the result of an award in a civil action for infringement of a patent issued by the United States, then the tax attributable to the inclusion of such amount in gross income for the taxable year shall not be greater than the aggregate of the increases in taxes which would have resulted if such amount had been included in gross income in equal installments for each month during which such infringement occurred.'

"(b) The table of sections for such part I is hereby amended by striking out

"'Sec. 1304. Rules applicable to this part.'

and inserting in lieu thereof the following:

"'Sec. 1304. Compensatory damages for patent infringement.

"'Sec. 1305. Rules applicable to this part.'

"SEC. 2. The amendments made by the first section of this act shall apply with respect to taxable years ending after the date of the enactment of this act, but only with respect to amounts received or accrued after such date as the result of awards made after such date."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the annual system of accounting presently required by our income tax laws operates to deprive a person receiving a judicial award for the infringement of a patent of the fruits of his judgment. This is so because the amount of compensatory damages awarded in such cases is lumped in a single year requiring a substantially greater tax than would have been applicable had the taxpayer received the income equivalent to the amount of the compensatory damages over the period in which the infringement occurred.

H. R. 7300 would permit a taxpayer receiving a judgment for the infringement of a United States patent to spread the amount of the judgment proportionately over the period in which the infringement occurred. This treatment is permitted only with respect to so much of the judgment as represents compensatory damages and is further limited to exclude amounts awarded as attorneys' fees, interest, or cost.

This bill was unanimously reported by the Committee on Ways and Means. I urge that the House pass it.

EXTENSION OF TREATMENT PROVIDED IN SECTION 345 OF REVENUE ACT OF 1951 TO CERTAIN CASES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 2619) to amend section 345 of the Revenue Act of 1951, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That if refund or credit of an overpayment resulting from the application of section 345 of the Revenue Act of 1951 (relating to abatement of tax on certain

trusts for members of Armed Forces dying in service) is prevented on the date of the enactment of this act by the operation of any law or rule of law (other than sec. 3760 of the Internal Revenue Code of 1939 or sec. 7121 of the Internal Revenue Code of 1954, relating to closing agreements, and other than sec. 3761 of the Internal Revenue Code of 1939 or sec. 7122 of the Internal Revenue Code of 1954, relating to compromises), refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within 1 year after the date of the enactment of this act. No interest shall be allowed or paid on any overpayment if refund or credit of such overpayment would not be allowable but for this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, as you will recall, section 345 of the Revenue Act of 1951 provided for a credit or refund of the tax paid on the income of trusts where the income had been accumulated for a member of the Armed Forces of the United States or the United Nations, if the serviceman died or was killed in active service during the period, December 7, 1941, to January 1, 1948.

As a result of an oversight no relief was provided in the 1951 Revenue Act for cases where refunds or credits were barred by the expiration of the statute of limitations, by a prior court decision, or for other similar reasons. To cure this oversight, H. R. 2619 extends treatment equivalent to that provided in section 345 of the Revenue Act of 1951 to cases where refunds or credits were barred by operation of law or rule of law—other than closing agreements or compromises.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 2619 provides that if a credit or refund under section 345 of the Revenue Act of 1951 of the tax on the income of certain trusts was barred by operation of law or rule of law—other than a closing agreement or compromise—credit or refund is nevertheless to be allowed if the claim is filed within 1 year of the date of enactment of this bill. No interest is to be allowed or paid on such refunds or credits. The trusts referred to are those where the income had been accumulated for the benefit of servicemen killed on active duty during the period December 7, 1941, to January 1, 1948. An identical bill passed this House unanimously in the last Congress. The favorable report of the Committee on Ways and Means on the bill is unanimous.

AMENDING SECTION 4021 OF INTERNAL REVENUE CODE OF 1954

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 4668) to amend section 4021 of the Internal Revenue Code of 1954, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4021 of the Internal Revenue Code of 1954 be amended by striking out therefrom the words "aromatic cachous."

With the following committee amendment:

Page 1, strike out lines 4 and 5 and insert "is hereby amended by striking out 'aromatic cachous.'

"SEC. 2. The amendment made by the first section of this act shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, this bill amends section 4021 of the Internal Revenue Code of 1954 to remove the present 10 percent excise tax levied on certain toilet preparations from application to aromatic cachous.

An aromatic cachou is an aromatic pellet made of licorice, cashew nuts, gum, and so forth, which is chewed for purposes of sweetening the breath. The article should not be taxed as a toilet preparation since its use identifies it more clearly with mouth washes or candied mints rather than the externally applied toilet preparations with which it is presently taxed. The present classification of this item places it at a competitive disadvantage with nontaxed articles which are purchased and used for identical purposes. In addition, aromatic cachous are sold in candy stores, confectionaries, and other shops which do not usually handle articles subject to the toilet preparation's tax. As a result of this fact, these stores are burdened by a tax collecting requirement because they handle aromatic cachous although the amount of revenue produced is negligible. This has discouraged many outlets from handling the product.

For these reasons, your committee believes this item should be removed from the burden of the tax.

This bill was reported unanimously by the Committee on Ways and Means. I, therefore, urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 4668 amends section 4021 of the Internal Revenue Code of 1954, which provides a 10 percent excise tax on certain toilet preparations, by striking out the words "aromatic cachous." The bill was reported unanimously by the Committee on Ways and Means.

REPEALING MANUFACTURERS EXCISE TAX ON MOTORCYCLES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 5647) to repeal the manufacturers excise tax on motorcycles, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4061 (a) (2) of the Internal Revenue Code of 1954 (relating to tax on certain motor vehicles) is hereby amended by striking out "Motorcycles.".

SEC. 2. The amendment made by the first section of this act shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, this bill amends the Internal Revenue Code of 1954 to remove motorcycles from the 10 percent manufacturers' excise tax on passenger cars and other motor vehicles. The Committee on Ways and Means believes that this action is necessary because the motorcycle industry is depressed by reason of declining sales and diminishing profits.

Sales of the motorcycle industry have been declining since 1947 in which year the profits of the three largest producers amounted to approximately $3.5 million. Since that time they have declined rapidly to $2.3 million in 1948 and $1.4 million in 1950. In 1951 the profits of the three largest producers amounted to only $300,000, and since that time have generally declined until a loss of over $400,000 was experienced in 1954.

Sales of the 3 leading domestic producers have declined by 45 percent in the 7-year period since 1948. During the same period employment in the industry has decreased steadily for the 3 leading domestic producers from a level of about 3,800 workers in 1948 to slightly less than 1,900 in 1954.

In the light of the general and steady decline in this industry during the recent period of generally rising profits, it is believed by the Committee on Ways and Means to be undesirable to continue the special excise tax on motorcycles. The amount collected from the motorcycle industry is not large. The reduction in revenue resulting therefore is certainly not serious.

This bill was unanimously reported by the Committee on Ways and Means, I, therefore, urge its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 5647 repeals the manufacturers' excise tax on motorcycles. The motorcycle industry is a depressed industry which has had declining sales in the past several years. Under these circumstances, it appears unreasonable to continue a substantial excise tax upon the product of the industry. The bill was reported unanimously by the Committee on Ways and Means.

AMENDING THE SUBVERSIVE ACTIVITIES CONTROL ACT

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I ask unanimous consent for the immediate consideration of the bill (S. 2171) to amend the Subversive Activities Control Act so as to provide that upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified, which was reported unanimously by that committee.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection 12 (a) of the Subversive Activities Control Act is amended by striking out the period immediately following the word "succeed" therein, and inserting in lieu thereof a colon and the following: "*Provided, however*, That upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified."

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PROVIDING 5-YEAR TERMS OF OFFICE FOR MEMBERS OF SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I ask unanimous consent for the immediate consideration of the bill (S. 2375) to provide for 5-year terms of office for members of the Subversive Activities Control Board with one of such terms expiring in each calendar year, which was reported unanimously by the Committee.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. DIES. Mr. Speaker, reserving the right to object, will the gentleman explain what the bill provides?

Mr. WALTER. The purpose of this bill is to stagger the terms of the members of the Board. There are two vacancies now. There will be 2 more vacancies occurring on the 9th of August when 2 more terms expire. What this does is to create 5-year terms of the newly appointed members staggered so that they will expire 1 each year instead of all at one time.

Mr. DIES. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 12 (a) of the Subversive Activities Control Act of 1950 is amended by striking out the third sentence and inserting in lieu thereof the following: "The terms of office of the members of the Board in office on the date of enactment of the Subversive Activities Control Board Tenure Act shall expire at the time they would have expired if such act had not been enacted. The term of office of each member of the Board appointed after the date of enactment of the Subversive Activities Control Board Tenure Act shall be for 5 years from the date of expiration of the term of his predecessor, except that (1) the term of office of that member of the Board who is designated by the President and is appointed to succeed 1 of the 2 members of the Board whose terms expire on August 9, 1955, shall be for 4 years from the date of expiration of the term of his predecessor, and (2) the term of office of any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be for the remainder of the term of his predecessor. Upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified."

SEC. 2. This act may be cited as the "Subversive Activities Control Board Tenure Act."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUBBER PRODUCING FACILITIES DISPOSAL ACT OF 1953

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7301) to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va., with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, strike out "thirty-day" and insert "sixty-day."

Page 2, line 9, strike out "sixty" and insert "seventy-five."

Page 4, line 6, after "Notwithstanding" insert "the provisions of section 4 of Public Law 19, approved March 31, 1955, and notwithstanding."

(4) Page 4, line 8, strike out "that" and insert "the latter."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in; and a motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATIONS BILL, 1956

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANNON and TABER; and on chapter I, Messrs. WHITTEN, MARSHALL, and H. CARL ANDERSEN; on chapter II, Messrs. PRESTON, THOMAS, and BOW; on chapter III, Messrs. MAHON, SHEPPARD, SIKES, WIGGLESWORTH, SCRIVNER, and FORD; on chapter IV, Messrs. PASSMAN, GARY, and WIGGLESWORTH; on chapter V, Messrs. ANDREWS, MAHON, and FENTON; on chapter VI, Messrs. THOMAS, YATES, and PHILLIPS; on chapter VII, Messrs. KIRWAN, NORRELL, and JENSEN; on chapter VIII, Messrs. FOGARTY, FERNANDEZ, and HAND; on chapter IX, Messrs. RABAUT, KIRWAN, and DAVIS of Wisconsin; on chapter X, Messrs. ROONEY, PRESTON, and COUDERT; on chapter XI, Messrs. GARY, PASSMAN, and CANFIELD; on chapters XII, XIII, XIV, and XV, Messrs. RABAUT, NORRELL, and HORAN.

MAJ. GEN. JOHN STEWART BRAGDON

Mr. VINSON. Mr. Speaker, by direction of the Committee on Armed Services, I ask unanimous consent for the immediate consideration of the bill (H. R. 7628) to authorize the appointment in a civilian position in the White House office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2 of the act of July 31, 1894 (28 Stat. 205), as amended (5 U. S. C. 62), or any other provision of law, Maj. Gen. John Stewart Bragdon, United States Army, retired, may be appointed to and accept and hold a civilian position in the White House office.

SEC. 2. Major General Bragdon's appointment to, and acceptance and holding of, a civilian position in the White House office shall in no way affect any status, office, rank, or grade he may occupy or hold as a retired officer in the United States Army, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade: *Provided, however*, That during his incumbency in a civilian position in the White House office he shall receive the compensation appertaining to such position in lieu of the retired pay to which he is entitled as a retired officer of the Army: *Provided further*, That upon the termination of such civilian employment the payment of his retired pay shall be resumed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER RESOURCES OF ALASKA

Mr. ENGLE submitted a conference report and statement on the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development and utilization of the water resources of Alaska.

SOCIAL-SECURITY PROGRAM

Mr. STAGGERS. 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 West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, in the almost 20 years of the existence of the social-security program we can be proud of the many security benefits we have extended to the citizens of our country. One group of deserving workers we have included is the State and municipal employees. No more loyal group of citizens can be found anywhere, yet for years they were without the benefit of this security. They were in an unfortunate position with no type of retirement provided and with a limited salary that did not permit a program of their own. It was my happy privilege to work with other Members of Congress in successfully including this category of workers under the social-security law in the 81st Congress.

During the 84th Congress we have amended the social-security law to continue benefits to permanently and totally disabled children after they have reached the age of 18; extended coverage to certain professional groups and others not heretofore covered; lowered the retirement age of women from 65 to 62, bringing immediate benefits to 800,000 additional women; provided disability insurance benefits to some 250,000 permanently and totally disabled workers aged 50 or over. I am very happy this has been done, but I feel this Congress still has unfinished business and has not extended benefits far enough to the American people who want this protection.

The social-security program has been accepted by both major political parties. It has been tried and proved to be an effective weapon against family insecurity. It is the cornerstone for security and happiness for the disabled and aged in our American society. This program covers a great percentage of wage earners and self-employed, but it has not gone far enough. We have the sad plight of many of our older citizens who want to work and supplement their social-security payments, but under the existing law their benefits are curtailed if they earn more than $1,200 a year. Such a provision has encouraged idleness and lowered the level of subsistence. It removes from our industrial field many able bodied and needed intelligent workers. It also discriminates against persons who do not have incomes other than from their source of earnings. Many persons 65 years of age and older whose income is limited do not receive payments sufficient to enable them to maintain an adequate standard of living. Many are destitute and badly in need of help.

We should extend the old-age and survivors benefits to permit beneficiaries to earn up to $2,400 a year without curtailment of payments. We should extend benefits under the old-age assistance program to permit recipients to earn a reasonable amount regularly to supplement the payments received so they can maintain themselves on a healthful living level.

Since coming to Congress I have advocated the lowering of the age limit of recipients to 60 years. My bill, H. R. 194, now pending in committee, reduces from 65 to 60 the age at which old-age and other monthly insurance benefits shall be payable. I also would like to see this law amended so that when a man retires, his wife automatically becomes eligible at the same time to draw her beneficiary benefits. Under the present law, when a family head suddenly finds his income stopped, it is necessary for the entire family to adjust its living standard downward to come within the amount of his retirement benefits. If the wife's benefits start at the same time as her husband's, it would permit them to continue living as a family and continue to meet their family obligations.

At the end of another history-making session of the United States Congress, we are reminded once again of the magnificent heritage bequeathed to each of us by the divinely inspired wisdom and courage of the forefathers of our country. The unity of the free world is built in a major way around whatever unity in mind, purpose and progress there exists in the hearts of men. Therefore, I state again, this Congress has unfinished business, a long way to go, and many improvements to make.

COMMITTEE ON PUBLIC WORKS

Mr. KARSTEN. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the St. Louis project.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ESTABLISHING A COMMISSION ON GOVERNMENT SECURITY

Mr. WALTER. Mr. Speaker, I call up the conference report on the joint resolutio (H. J. Res. 157) establishing a Commission on Government Security, 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 Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1407)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 157) establishing a Commission on Government Security, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"DECLARATION OF POLICY

"SECTION 1. It is vital to the welfare and safety of the United States that there be adequate protection of the national security, including the safeguarding of all national defense secrets and public and private defense installations, against loss or compromise arising from espionage, sabotage, disloyalty, subversive activities, or unauthorized disclosures.

"It is, therefore, the policy of the Congress that there shall exist a sound Government program—

"(a) establishing procedures for security investigation, evaluation, and, where necessary, adjudication of Government employees, and also appropriate security requirements with respect to persons privately employed or occupied on work requiring access to national defense secrets or work affording significant opportunity for injury to the national security;

"(b) for vigorous enforcement of effective and realistic security laws and regulations; and

"(c) for a careful, consistent, and efficient administration of this policy in a manner which will protect the national security and preserve basic American rights.

"ESTABLISHMENT OF THE COMMISSION ON GOVERNMENT SECURITY

"SEC. 2. (a) For the purpose of carrying out the policy set forth in the first section of this joint resolution, there is hereby established a commission to be known as the Commission on Government Security (hereinafter referred to as the 'Commission').

"(b) The Commission shall be composed of twelve members as follows:

"(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

"(2) Four appointed by the President of the Senate, two from the Senate and two from private life; and

"(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

"(c) Of the members appointed to the Commission not more than two shall be appointed by the President of the United States, or the President of the Senate, or the Speaker of the House of Representatives from the same political party.

"(d) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

"(f) The Commission shall elect a Chairman and a Vice Chairman from among its members.

"(g) Seven members of the Commission shall constitute a quorum. Each subcommittee of the Commission shall consist of at least three members of the Commission.

"COMPENSATION OF MEMBERS OF THE COMMISSION

"SEC. 3. (a) Members of the 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) The members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, 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.

"(c) The members of the Commission from private life shall each receive $50 per diem when engaged in the actual 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. 4. (a) (1) 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.

"(2) The Commission may procure, without regard to the civil-service laws and the Classification Act of 1949, as amended, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

"(b) All employees of the Commission shall be investigated by the Federal Bureau of Investigation as to character, associations, and loyalty and a report of each such investigation shall be furnished to the Commission.

"EXPENSES OF THE COMMISSION

"SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this joint resolution.

"DUTIES OF THE COMMISSION

"SEC. 6. The Commission shall study and investigate the entire Government security program, including the various statutes, Presidential orders, and administrative regulations and directives under which the Government seeks to protect the national security, national defense secrets, and public and private defense installations, against loss or injury arising from espionage, disloyalty, subversive activity, sabotage, or unauthorized disclosures, together with the actual manner in which such statutes, Presidential orders, administrative regulations, and directives have been and are being administered and implemented, with a view to determining whether existing requirements, practices, and procedures are in accordance with the policies set forth in the first section of this joint resolution, and to recommending such changes as it may determine are necessary or desirable. The Commission shall also consider and submit reports and recommendations on the adequacy or deficiencies of existing statutes, Presidential orders, administrative regulations, and directives, and the administration of such statutes, orders, regulations, and directives, from the standpoints of internal consistency of the overall security program and effective protection and maintenance of the national security.

"POWERS OF THE COMMISSION

"SEC. 7. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this joint resolution, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or the chairman of any subcommittee with the approval of a majority of the members of such subcommittee and may be served by any person designated by such chairman. 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.

"(b) The Commission 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 purposes of this joint resolution, 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, upon request made by the Chairman or Vice Chairman.

"INTERFERENCE WITH CRIMINAL PROSECUTIONS AND INVESTIGATIVE AND INTELLIGENCE FUNCTIONS

"SEC. 8. Nothing contained in this joint resolution shall be construed to require any agency of the United States to release any information possessed by it when, in the opinion of the President, the disclosure of such information would jeopardize or interfere with a pending or prospective criminal prosecution, or with the carrying out of the intelligence or investigative responsibilities of such agency, or would jeopardize or interfere with the interests of national security.

"REPORTS

"SEC. 9. The Commission may submit interim reports to the Congress and the President at such time or times as it deems advisable, and shall submit its final report to the Congress and the President not later than December 31, 1956. The final report of the Commission may propose such legislative enactments and administrative actions as in its judgment are necessary to carry out its recommendations. The Commission shall cease to exist 90 days after submission of its final report."

And the Senate agree to the same.

EMANUEL CELLER,
FRANCIS E. WALTER,
KENNETH B. KEATING,
Managers on the Part of the House.

JOHN F. KENNEDY,
HUBERT H. HUMPHREY,
STUART SYMINGTON,
STROM THURMOND,
MARGARET CHASE SMITH,
NORRIS COTTON,
THOS. E. MARTIN,
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 amendment of the Senate to the joint resolution (H. J. Res. 157) establishing a Commission on Government Security, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House and Senate versions with respect to section 1 (a) were substantially identical. The main difference was in the transposition of phrases. The Senate version also included reference to procedures for clearance of Government employees but the House version did not. The conference report adopted the language as it appeared in the Senate version but deleted reference to clearance of Government employees.

In section 2 (g) the Senate version provided that each subcommittee of the Commission should consist of at least three members. The House version made no reference to the composition of subcommittees. The conference report adopted the Senate language.

Section 8 of the joint resolution which relates to interference with criminal prosecutions and investigative and intelligence functions did not differ in substance in either the House or Senate version. The House version made no specific reference to either investigative responsibilities or to activities which would jeopardize or interfere with the interest of national security. In the Senate version, however, reference to those two matters was specifically spelled out. The conference report adopted the language of the Senate version.

Section 9, relating to the reports of the Commission, in the Senate version fixed the date of final report as March 31, 1956. In the House version the date was fixed at December 31, 1956. The conference report adopted the House language and fixed the date at December 31, 1956.

EMANUEL CELLER,
FRANCIS E. WALTER,
KENNETH B. KEATING,
Managers on the Part of the House.

The conference report was agreed to; and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. MARTIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 131]

Anfuso	Gwinn	Perkins
Boykin	Hardy	Powell
Buchanan	Hillings	Radwan
Celler	Kearney	Reese, Tenn.
Chiperfield	Kilburn	Reed, N. Y.
Dingell	Krueger	Rivers
Eberharter	Macdonald	Shelley
Gray	Mumma	

The SPEAKER. On this rollcall 414 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TO AMEND TITLE V OF THE AGRICULTURAL ACT OF 1949, AS AMENDED

Mr. COOLEY submitted the following conference report and statement on the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended:

MEAL AND FLOUR FOR RELIEF PURPOSES

Mr. COOLEY submitted a conference report and statement on the bill (H. R. 2851) to authorize the Commodity Credit Corporation to reprocess food commodities for donation under certain acts.

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS ACT OF 1955

Mr. FALLON. 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 (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for con-

tinuing the construction of highways, 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 H. R. 7474, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Michigan [Mr. DONDERO] as amended by the amendment of the gentleman from Washington [Mr. MACK].

Are there further amendments?

Mrs. ST. GEORGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to clear up some possible misunderstanding about something that took place on the floor of this House yesterday. I inserted in the RECORD a telegram signed by James A. Farley. This morning I received a message from Mr. James A. Farley, the former national chairman of the Democratic Committee, the former Postmaster General, and a very distinguished citizen of the State of New York. Mr. Farley authorized me to tell the House of Representatives that he had sent and signed the telegram that I placed yesterday in the RECORD.

Mr. BECKER. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. BECKER. May I say to the gentlewoman that I corroborate what she has said, because I spoke to Jim Farley the other night, and he told me he sent me that telegram. I appreciate his sending it to me. I was not on the floor yesterday, but I want to corroborate what the gentlewoman has just said.

Mrs. ST. GEORGE. I put that telegram in the RECORD yesterday.

Mr. BUCKLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. BUCKLEY. I am not surprised that Mr. Farley sent to the Republican Members of this House a telegram asking them to vote against the Democratic bill. No doubt, his present views are influenced by his business association with the General Motors Truck Corp.

Mrs. ST. GEORGE. I might say to the gentleman that Mr. Farley said in his telegram to us that he had sent the same telegram to you. He may not consider you a member of the Democratic side of the House. That I do not know.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. FULTON. I would like to comment, too, that I have received a telegram from the Democratic mayor of Pittsburgh, Mayor David Lawrence, interceding with me to try to prevent the coming up of the natural gas bill which he felt the Democratic leadership of the House and the Democratic side of the House was going to bring up and cost the consumers of this country millions of dollars in the closing hours of Congress when adequate consideration could not be given. And further I received another letter today from the Democratic mayor of Philadelphia, joined by the Democratic mayors of New York City and Pittsburgh, quoting former President Harry Truman, to prevent the passage of this bill, which they feel would cost the consumers of the East and West so much money.

Mrs. ST. GEORGE. I am sure the gentleman will agree with me that many of these questions transcend party politics.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. McGREGOR. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The Clerk read as follows:

Amendment offered by Mr. McGREGOR: On page 22, after line 20 and after the period insert "(d) and the following: 'All agreements between the Secretary and the State highway department for the construction of projects on the National System may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the National System will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments to be constructed or located on the right-of-way of the National System in such State'."

Mr. McGREGOR. Mr. Chairman, I have submitted this amendment to both the minority and the majority sides. It was accepted in our committee. It simply puts into the Dondero substitute the same wording as was accepted by our committee, I think, by unanimous vote when we were discussing the Fallon bill against monopoly. It simply assures the people protection. I ask for its adoption, Mr. Chairman.

Mr. FALLON. Mr. Chairman, I think it is a fine amendment, and we have no objection to it.

Mr. SMITH of Virginia. Mr. Chairman, may we have the amendment reread?

The CHAIRMAN. Without objection, the Clerk will reread the amendment offered by the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. Mr. Chairman, if I might be recognized for a moment, I might point out to my distinguished friend, the gentleman from Virginia, the language of the amendment is to be found on page 28 of the bill, H. R. 7474, or Mr. Fallon's bill. It is the exact wording as included in the Fallon bill.

Mr. SMITH of Virginia. What does the amendment do?

Mr. FALLON. Mr. Chairman, the President's Advisory Committee on the National Highway Program considered the type of marketing concessions along the interstate system to be a matter of great importance. In the report entitled, "Ten Year National Highway Program" the committee pointed out that in the constructing and the control of the highway system, care should be exercised to assure that traditional free enterprise is promoted and no monopolistic tendencies develop in the provision of needed facilities to service the highway users with food, lodging, vehicles, fuel and similar needs.

That was brought out because on some of the toll roads in the country, the right to do business along the right-of-way is sold to bidders to put up eating establishments and gasoline stations and one company may get all the stations along many miles of highway so that if a motorist needs gasoline on any particular section of the highway, he will have to pay whatever price the particular company may want to charge because there is no free competition on that highway.

Mr. SMITH of Virginia. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. SCHERER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHERER to the amendment offered by Mr. DONDERO: On page 22, after line 20, insert a new section as follows:

"SEC. 209. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place 2 positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

"(b) The Bureau of Public Roads shall hereafter be known as the Public Roads Administration, and the Office of the Commissioner of Public Roads is hereby abolished. The head of the Public Roads Administration shall be an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall receive basic compensation at the rate prescribed by law for assistant secretaries of executive departments, and shall perform such duties as may be imposed upon him by law, regulation, or orders of the Secretary of Commerce."

Mr. JONES of Alabama. Mr. Chairman, I reserve a point of order against the amendment on the ground that the Reclassification Act is not germane, and that the amendment is not germane to the bill.

Mr. SCHERER. Mr. Chairman, this amendment is section 14 (a) and section 14 (b) of the Fallon bill.

If the Dondero substitute should pass, it is felt that this amendment is necessary and proper insofar as the Dondero substitute is concerned.

It is my recollection that in voting out the Fallon bill the committee almost unanimously agreed that this amendment was a necessity. What is happening is this: As we all know, there is a tremendous lack of engineers in this country, and even at the present time with this accelerated road program which we hope will pass, the Bureau of

Public Roads is losing engineers daily. As an example, an engineer in the Bureau of Public Roads who is now receiving $11,000 has been offered $29,000 to go with a private concern. If this road legislation should become law, you can easily see the tremendous need for this type of engineer, and the Bureau of Public Roads will have further pressures put on its engineers, and you will find them leaving in greater numbers. So the committee, as I said, almost unanimously felt that this section was necessary whereby at least we have two positions in grade 18. There are no positions now in the Bureau of Public Roads in grade 18 which pay $14,800. That is a low salary in private enterprise for engineers of this caliber.

There are at present in the Bureau of Public Roads five positions in grade 16. This amendment, of course, asks that there be 20 positions. With this accelerated program, you can readily see that in order to carry it out, we are going to need additional engineers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. GROSS. What is the total number of supergrade employees proposed by the gentleman's amendment?

Mr. SCHERER. The amendment proposes only 2 in grade 18 at a salary of $14,800 and asks for 20 positions in grades 16 and 17, whereas at the present time we have 5.

Mr. GROSS. That makes a total of how many?

Mr. SCHERER. Seventeen.

Mr. GROSS. A total increase of 17 in the supergrades.

Mr. SCHERER. Yes.

The CHAIRMAN. Does the gentleman from Alabama insist upon his point of order?

Mr. JONES of Alabama. Mr. Chairman, I insist upon my point of order against the amendment offered by the gentleman from Ohio.

Mr. DONDERO. Mr. Chairman, will the gentleman reserve the point of order?

Mr. JONES of Alabama. Mr. Chairman, I reserve the point of order.

Mr. DONDERO. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. We have not in the committee considered the matter of increasing the number of grades, as discussed by the gentleman from Ohio. There is sufficient time for the Bureau of Public Roads, Department of Commerce, to come before the Committee on the Post Office and Civil Service and make a request for these grades and to be heard in season and in an orderly fashion. It seems to me that this is a matter than can wait until such time as it is considered in the ordinary fashion.

Mr. DONDERO. May I say to my good friend from Alabama that if this amendment is placed in the bill and is left in the Fallon bill, if we should get to that, it certainly can do no harm. I think we should have the right to acquaint the House and the country as to the need of doing what we are about to do with this amendment.

Mr. JONES of Alabama. I regret that I have to raise a point of order, but here we have a bill that trespasses upon the sovereignty and the jurisdiction of almost every committee of the House. It seems to me that we in the Public Works Committee have a large enough task to follow without bringing up every issue to provoke every group in the House of Representatives. It seems to me that the matter can lie still without being dangerous.

Mr. DONDERO. Will the gentleman permit me to say that the Commissioner of Public Roads informed our committee that even now there is a lack of sufficient engineers to carry on the work he must do. Should this legislation become law it is apparent to every Member of the House the additional load that will be placed upon the Bureau of Roads by it. This is one of the greatest road programs in the history of the world. If you will remember, the Commissioner invited our attention to the fact he had only one engineer now receiving $12,000 a year. This engineer has been offered $29,000 a year to go into private enterprise. No doubt the Commissioner will have great difficulty in filling the positions that we ask for and getting sufficient personnel to carry on the work unless he gets additional help and these grades are raised sufficiently so he can pay a decent wage for engineers who are capable of doing the work which this vast program will require.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. McGREGOR. Would this not be a correct statement, that we are here starting approximately a $25 billion road program, an accelerated program? We need help. When do we need that help? We need it as we start the construction program and that is at the very beginning, not next year or the year after. We need that now so that we can get our roadbuilding facilities organized. Certainly when we are asking for only 17 additional people for a $25 billion program we are not going beyond the limits of good business.

Mr. DONDERO. The gentleman is entirely correct. I may say to the committee in conclusion that the amendment that has been sent to the Clerk's desk was taken out of the Fallon bill, section 14 (a), pages 30 and 31, so it is nothing new.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Under the Dondero bill when are the funds available for expenditure on the interstate system?

Mr. DONDERO. If it becomes law, I can say just as soon as the machinery is set up. There will be bonds sold in order to begin the work at the very earliest possible hour.

Mr. JONES of Alabama. At the beginning of the fiscal year 1956?

Mr. DONDERO. I think we have set that up to 1956 now.

Mr. JONES of Alabama. 1956?

Mr. DONDERO. The same as in the Fallon bill.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. Certainly.

Mr. WILSON of Indiana. I thought the gentleman over there had the floor on his point of order against the amendment.

Mr. DONDERO. I think the gentleman in the well has the floor under the 5-minute rule.

Mr. WILSON of Indiana. All right. I will wait until he gets back on his point of order.

Mr. JONES of Alabama. Mr. Chairman, I insist on my point of order.

Mr. Chairman, I think I have stated the point of order that this is a matter coming within the jurisdiction of the Committee on Post Office and Civil Service. It is a reclassification section, and therefore it is not germane to the bill and the point of order should be sustained.

The CHAIRMAN (Mr. KEOGH). The gentleman from Ohio offered an amendment which was reported and which, in substance, provides authority to the Secretary of Commerce to put 2 positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17, to which the gentleman from Alabama [Mr. JONES] has made a point of order.

It is the opinion of the Chair that the amendment offered by the gentleman from Ohio does, in fact, creates additional positions within the general schedules established by the Classification Act of 1949, which is within the jurisdiction and authority of another standing committee of the House.

The Chair therefore is constrained to sustain the point of order.

Mr. WILSON of Indiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this move is just exactly typical of what this committee is trying to do to the House of Representatives of the United States Congress. They have usurped the power of the Committee on Ways and Means, they have usurped the power of the Committee on Appropriations, and now they are attempting to usurp the power granted to the Committee on Post Office and Civil Service.

I think it is time we were sitting up and taking notice of the far-reaching effect of this bill. We are just beginning to realize that we are going to run into some trouble. Are we going to abdicate all of the power and responsibility given to us of the various committees in the House to this one Committee on Public Works?

Let me tell you what is behind this move of the Committee on Public Works. And there is no question about it. I have heard these gentlemen get up on the floor and say, "If we do not get the Dondero bill, we will vote for the Fallon bill." Sure they will. If they cannot vote for daylight, they will vote for darkness. Both are bad bills, but they are willing to take either. Why do members of the Committee on Public

Works make such statements. Because they want to grab the power over, and the control over, the biggest public works program that has ever been submitted to this Congress. Now, is this Congress going to delegate to the Public Works Committee the authority to levy taxes, a power which belongs to the Committee on Ways and Means? Are they going to delegate to this committee the power to appropriate funds, which power belongs to the Committee on Appropriations, and such other powers as they will need to usurp from the other legislative committees in order to operate this program?

Folks, it is time you stopped, you looked, and you listened.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

UNSOUND MONEY, INFLATION, CHEAPER DOLLARS, FISCAL IRRESPONSIBILITY, AND UNBALANCED BUDGET

Mr. Chairman, the question of sound money and unsound money in our economy and the effect upon our economy should be considered in connection with these bills. I was shocked yesterday—and I hope my good friend, the gentleman from Massachusetts [Mr. MARTIN], will listen to this—I was shocked yesterday when I heard my good, conservative friend from Massachusetts, the minority leader and a former Speaker of this House, make an impressive speech in favor of cheap dollars, unsound money, inflation, and fiscal irresponsibility, in addition to a continued unbalanced budget.

I never thought I would live to see the day when by good friend from Massachusetts [Mr. MARTIN] would make a speech for those four specific results in the advocacy of any bill. But that is exactly what will happen under this proposal if this amendment is enacted into law.

There will be $21 billion of additional bonds. Of course, it is said that through some kind of hocus-pocus arrangement it will not become a part of the national debt. You can call it anything you want to, it is still a part of the national debt. It is just like the case of the owner of the dog who said, "We will just suppose that the dog's tail is a leg; won't you say that he has five legs?" You can say that he has 5 legs, but he has 4 legs, and the tail is still a tail. It is just exactly like this bill. If you create $21 billion in obligations, backed by the credit of the entire Nation, a mortgage upon all the property of the people of the Nation and the income of all of the people of the Nation, that represents a part of the obligations of our country, whether you call it a part of the national debt or not. It is a part of the national debt of this country. You cannot get away from it. Whenever you put $21 billion of bonds out into the market, you are cheapening the dollar, you are making a springboard for inflation. It means an unbalancing of the budget, and it will probably be unbalanced to the extent where there is not a reasonable probability of balancing it within the next few years.

So I am surprised that the party and the leader of the party, that is always talking about fiscal responsibility, sound dollars, sound money, would come in here now and advocate things that are just exactly the reverse—an about face.

I know that the Clay committee recommended this, but the Clay committee was weighted down with investment bankers, commercial bankers, brokers of Government bonds. It seems as though every proposal that is offered for schools or roads, they begin first by finding out how many bonds are to be issued, for what period of years, and what the interest rate will be. It seems that the first consideration is the bankers and what they get out of it and not the roads, not the schools.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. DONDERO. The gentleman would not say that General Clay is a banker?

Mr. PATMAN. I do not claim he is a professional banker. This statement shows he is on bankers board.

Mr. DONDERO. The gentleman would not say that David Beck, the head of the teamsters' union is a banker.

Mr. PATMAN. I know, but I cannot yield to the gentleman further. I know about the Commission. I know about their connections. You can look at every committee that is appointed that has to do with schools or roads or anything like that, and you will find that it is weighted down with bankers, who are looking for more debt paper; they want more debt paper, longer terms, higher interest rates. That is what they are looking for. That is what they want here. We should not be passing a bill which is for the bankers.

Now, I believe in the banks and want to help, not harm, them in their proper banking activities.

THE CLAY COMMITTEE

When the size of the administration's 10-year highway expansion program was determined it was found that existing revenue sources would provide but half of the estimated $100 billion outlay that would be required over the 10-year period.

The job of finding ways and means of executing and financing the remaining half of the proposed highway program was assigned to a Committee of five. A majority of the Committee turned out to be well respected and highly competent men in public and private life who also happened to be connected with banking and investment houses who had an interest in the type of financing that would be decided upon. The Chairman of the Committee was Gen. Lucius Clay, of the Marine Midland Trust Co. In addition there was Mr. S. Sloan Colt, president of Bankers Trust Co., one of the small group of recognized dealers in Government securities. The third banker representative was Stephen Bechtel, president of the Bechtel Corp., a large engineering and construction firm with headquarters in San Francisco, but also a director of the J. P. Morgan Co. banking house of New York City.

The other two members of the Committee included Mr. Dave Beck, head of the International Teamsters Union, and Mr. W. A. Roberts, president, Allis-Chalmers Manufacturing Co.

The majority of the members of the Committee had affiliations with banks who were vitally interested in the outcome of the financing decisions for the expanded highway program. These banks have large investments in Government securities as well as State and local bonds. A good part of their earnings are derived from the interest they earn on their holdings of Government securities. A good thing that might happen for these banks would be for the interest rate on Government securities to increase so that their earnings might increase. Bankers are not different from other businessmen. Their object is to maximize their earnings for the benefit of the stockholders in the enterprise.

The recommendation of the Clay committee that a new Government corporation be set up to issue bonds amounting to $20.2 billion to finance part of the extra cost of the expanded highway program meant that banks could look forward to an increase in the supply of riskless earning assets.

An increase in the supply of long-term bonds—the proposed bonds were 30-year bonds—would have the effect of reducing the price and raising the yields on all outstanding Government bonds including the 2½ percent Victory loan bonds that were issued to pay part of the costs of World War II. We made a solemn pledge to those people who invested their savings in the 2½ percent bonds that we would support them at their par value. That pledge was broken in 1951. The proposal to issue the $20 billion 30-year highway would have the effect of driving the 2½'s far down below their par value.

The Clay committee assumed that the 30-year bonds would be sold at an interest rate of 3 percent. But both Secretary of Commerce Weeks and Treasury Secretary Humphrey told the Senate Public Works Committee that the rate of interest on the highway bonds would be higher than the 3 percent which the Clay committee based its interest calculations on. Secretary Weeks indicated that it might be 3⅛ or 3¼ percent. Secretary Humphrey testified that it might be 3⅛ to 3½ percent.

The interest cost under the Clay Committee assumption of 3 percent would be $11.5 billion. Under the Humphrey estimate of 3½ percent, the interest cost would exceed $13 billion.

The proposal to set up a separate corporation to issue the bonds would on the one hand have the effect of justifying setting a higher rate on them than Treasury obligations but they would be just as much obligations of the Treasury as if they had been issued by the Treasury Department.

This was made clear by the statement of Comptroller General Joseph Campbell before the Senate Public Works Committee, March 28, 1955:

> Funds for paying off the obligations would come from the general fund of the United States Treasury. * * * The borrowings by the [Federal Highway Corporation] * * * would be borrowings of the United States Government, irrespective of the terminology involved. * * *. It is our opinion that the

Government should not enter into financing arrangements which might have the effect of obscuring financial facts of the Government's debt position.

The debt cost under the Clay Committee proposal would be more than $3 billion higher than if the Treasury issued 2½ percent bonds directly to finance the program.

At bottom the Clay Committee proposal was but another step in the bankers' campaign to obtain higher interest rate on their investments. The bankers simply wanted to erect a private toll gate on the President's highway program.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

Mr. MASON. Mr. Speaker, I will object to any additional time for the gentleman or for anyone else on either side until we finish this bill.

Mr. MARTIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a sight to behold. In all my long period in Congress I never expected to see the time when the gentleman from Texas would rise on his feet and speak for any sound money policy.

I can remember in my early days when he wanted to pay the soldier bonus with printing-press money.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. No; I will not. The gentleman would not yield to me and I will not yield now.

Mr. PATMAN. I yielded to the gentleman.

Mr. MARTIN. The gentleman did not and I will not yield to him.

Mr. Chairman, I ask to be protected.

The CHAIRMAN. The Chair will endeavor to do that.

Mr. MARTIN. I repeat, when I first came to Congress, one of the great bills was under consideration. Up rose the persuasive gentleman from Texas. And what did he want to do? He wanted to pay the soldiers a bonus in phony money, not with dollars but bonds with nothing back of them. In the years that have elapsed since then I have never seen him rise on the floor of this House and speak for sound money.

Well, let's talk about the bill under consideration.

What are we doing today? We are not doing anything inflationary. Few businesses are going to progress in this country today unless they borrow money from the banks. That is the price we pay for the bigness which has come into this country. No city, no State government, nor the National Government, in the last 25 years would have been able to operate if they did not issue bonds. Highways, schools, municipal improvements are all thus provided.

There is nothing new or irresponsible about bonds. We need a highway bill. We need roads now. We need them to meet the expanding needs of a growing country. The cost to the Federal Government will be returned in benefits that will come from the better roads for the farmers and the people who work in the factories, the millions and millions of people who drive automobiles. They all save in tires, gasoline, and auto appreciation.

The way to get the roads and get them quickly and get them when we need them is to pass the Dondero bill and it will be less burdensome on the taxpayers of this country at a time when taxes are high and there is a universal demand for reductions. The President's bill is the way to do it. All who want good roads, who want them now, who want to avoid burdensome taxes will vote for the President's bill. I have no apologies to make for my position on this bill and I put my record for an honest, sound government and a sound fiscal policy against his any time.

Mr. SMITH of Mississippi. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not want to become involved in an argument about records with two of the senior Members of the House, like the distinguished gentleman from Massachusetts and the gentleman for Texas. However, I do want to point out some statements that were made to the House Committee on Public Works about the inflationary aspects of this program by two distinguished experts in this field.

First, I call the attention of the House to the statements made by the Secretary of the Treasury, Hon. George Humphrey, I believe his name is, in his testimony before the committee. In answer to questions asked by a member of the committee, Mr. Humphrey stated that the Fallon bill would be less inflationary than the Eisenhower plan. So I think that Mr. Humphrey's testimony in that regard is entitled to some credence and some attention by people who are interested in this inflationary question.

The question was elaborated on at greater length by another distinguished Republican, the Honorable Joseph Campbell, Comptroller General of the United States, appointed by President Eisenhower, who was confirmed by the Senate only over the opposition of several distinguished Democrats. Mr. Campbell appeared before our committee and made a very lengthy statement in opposition to the Clay plan or the Eisenhower plan financing. I would appreciate some of you who are interested in this inflationary situation listening to what he said:

> We think that the proposed method of financing—

This is talking about the Clay-Eisenhower plan—

> is inadvisable because the result would be that the borrowings would not be included in the public debt obligation of the United States.

Then he went into great detail to show how under the hokus pokus arrangements so set up, they would still be obligations of the United States Government, but they would not be included in the public debt.

Mr. Campbell said:

> It is our opinion that the Government should not enter into financing arrangements which have the effect of obscuring the financial facts of the Government's debt position.

And that is just exactly what the Dondero bill would do. It would obscure the Government's debt position, as stated by Mr. Campbell. He went on and spoke further as the fiscal adviser of the Congress, and he said the Dondero bill removes and eliminates any check that the Congress has on the operation of the program except in the most obscure and indefinite fashion. There was considerable discussion by the members of the committee about the inflationary effect and the cost of this program with Mr. Campbell and his representatives of the Comptroller General's Office. The statement further was made:

> To my knowledge, I do not believe it has been clearly shown as to why corporation bonds would be less inflationary. The way it looks to us I think you have to figure both methods as debts of the United States Government.
>
> It seems to me that the inflationary aspects of this legislation might come from the expenditure of $2½ billion a year on top of the present economy and that would be the same, whether the financing was by corporation bonds or by direct appropriation.

Mr. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. GEORGE. Can the gentleman tell me how many billions of dollars we have outside the national debt limit that have been passed in the last 20 years?

Mr. SMITH of Mississippi. We have a lot of billions of dollars outside the debt limit, but we do not have one dollar outside the debt limit, in the same manner as is proposed in the Dondero bill. Secretary Humphrey and all the other people who were questioned could not mention one of them. There is always some real estate or some other matter on which the Government can foreclose in connection with these other debts that are outside the debt limit, but the Government could not foreclose on this highway system. Also, in these other cases, there is some other direct type of revenue involved.

Mr. GEORGE. Will the gentleman tell me which program he is for?

Mr. SMITH of Mississippi. I have stated time and time again, I favor a highway plan properly financed. I think the Fallon bill is by far the lesser of the evils presented to us. Sometimes you have to act on measures in that way.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. BURNSIDE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this Dondero plan will cost the taxpayers of America 55 cents out of every tax dollar of money that is borrowed. In addition to that, they will pay a super, super interest by setting up the corporation. The members of the committee remembers very well that I asked Secretary Weeks: Would it not cost one-fourth to three-eights of 1 percent and maybe one-half of 1 percent additional under this plan? Said he realized it would, and that, in turn, would be about $1½ to $2 billion more under this program.

Also you know the Republican administration is talking in terms of a $101

billion overall program about which the President addressed the Nation. If you multiply the billion and a half to two and a half of these interstate roads the sums also that go to the primary road system in terms of the $101 billion program you would have a super, super interest of about $5 billion extra.

I asked these questions of the Secretary of the Treasury, Secretary Humphrey, in addition to Secretary Weeks, and he also admitted the same.

Anyone knows that $5 billion plus another $11½ billion would build a whole lot of roads.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Ohio.

Mr. SCHERER. Is it not a fact that Secretary Humphrey testified that an approximately equivalent amount of interest would be lost to the people whether they paid this bill in taxes under the Fallon plan or with a bond issue under the Dondero bill? And I am not saying I am against the Fallon plan; I am for the Dondero bill as a lesser of two evils, as my friend said.

Mr. BURNSIDE. I would like to answer the gentleman's question. Under either plan we have to pay for the roads; we cannot reach up into the sky and pull the billions down from the heavens; there is no way to do that.

Mr. SCHERER. Of course the gentleman has not answered my question. Did not the Secretary of the Treasury claim that an equivalent amount of money to the $11.5 billion would be lost in interest by the people who paid for the roads even by taxes under the Fallon plan? For even under that plan they would have to pay interest.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield.

Mr. CRAMER. While reaching into the heavens for an ethereal plan will the gentleman explain to the House what bill is before the House today calling for $101 billion? Is there any such bill before the House?

Mr. BURNSIDE. I call the gentleman's attention to the overall plan of the President of the United States. That is what it will finally amount to according to the President's release.

Mr. CRAMER. There is no such figure before the House in either of these bills, is there?

Mr. BURNSIDE. The President used the $101 billion figure; that is not my figure.

Mr. CRAMER. The gentleman does not answer my question. Is either the Fallon bill or the Dondero bill a $101-billion bill?

Mr. BURNSIDE. My good friend from Florida will remember that we argued this out with Secretary Weeks and Secretary Humphrey that just as sure as the Federal Government adds one-quarter to three-eighths or even one-half percent more in interest. This in turn would run up the interest rates for all State funds. The States will have to borrow money to pay this additional interest due to the President's $101-million plan. It will add an additional super interest for the States to their tremendous detriment.

Mr. CRAMER. I ask my friend to look at pages 16 and 17 of the Dondero bill and add those figures together for the 48 States and the District of Columbia and tell me how he can get $101 billion out of them? They add up to approximately $23 billion.

Mr. BURNSIDE. The gentleman will have to ask the President.

Mr. CRAMER. Is it not true that we are considering here a $23-billion bill in the Dondero plan?

Mr. BURNSIDE. $23 billion or $24 billion.

Mr. CRAMER. We are considering a $12-billion bill. The matter of $101 billion does not enter this discussion at all.

Mr. BURNSIDE. But when you add the figures up under this bill, the farmers and workmen will have to pay a super, super interest. This pattern of interest definitely affects the entire pattern of interest of our country.

Mr. CRAMER. Let me ask just 2 or 3 questions, if the gentleman will yield.

The Chairman. The time of the gentleman from West Virginia has expired.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, Secretary Humphrey testified before the Committee on Public Works that whether we carried out this highway program with the Fallon bill's higher taxes or the Dondero substitute's bond-issue plan we are going to pay about the same amount of interest.

The Government does not pay this interest; the Congress does not pay this interest; the people of the country pay this interest. When a man buys a truck and finds it costs $200 to $400 more because of the Fallon bill he is going to borrow more money to pay for that truck. He will pay interest on his borrowings. When a trucker finds out he must pay on a truck $15 more per tire under this Fallon bill, when for 20 tires on his truck he pays $300 more, he must borrow money to pay the taxes in the Fallon bill. He will pay interest. Mr. Humphrey testified that under either plan the so-called interest charge would be just about the same.

Mr. Humphrey testified that in his opinion, the Dondero proposal, the President's proposal, is the best one for the country. He suggested also that if we adopted the Fallon proposal we would take away from the States $9 billion in gasoline taxes that the States may need in the future to finance their part of the highway program.

Consider that the President of the United States said that the Dondero plan is financially sound and workable, that the greatest authority in the Government of the United States on finances, Mr. Humphrey, and all his fiscal advisers say that the Dondero plan is sound and workable, and also that most of the Governors of the United States of America say that the Dondero plan, the President's plan, is the most sound and workable of the two proposals.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that all debate on the Dondero substitute amendment close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, in my opinion, the Dondero bill has back of it the recommendations of those who have in the past advocated sound financing in this country. I am for the Dondero bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, as a member of the Committee on Public Works, I had hoped I would have more time to discuss this important legislation. As I sat intently listening to witness after witness coming before our committee and talking about the great need for expanding our highways and about the thousands of people being slaughtered on the highways today, I did not know as much about that subject then, as I do today, because I just received word from home that my uncle and my aunt started out on a Sunday school class picnic with a group of their friends, started down one of these proposed interstate highways, a two-lane highway, and a group of young kids in a car trying to pass a truck hit them head on and killed them both. So, I say, as we stand here today we should be thinking more about the need of having adequate highways than we do about how we are going to pay for them. The American people have never failed to uphold the obligations of this country, and I do not believe they will in this program, and I do not think you can compare the American dollar with the spilling of blood of the American people. So, I urge you here today to pass a bill that has a chance of passing. I would have supported the Dondero bill, but I do not believe it would go through conference because of the action of the other body. I am supporting the Fallon bill, because I think it has a chance of becoming law. So, I say let us support the Fallon bill, let us go to conference with the Gore bill and pass this highway legislation this year, and at the end of the 12-year period we can say to the American people, A job well done.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I would just like to add one word. In all the weeks of hearings we had before the Committee on Public Works, the record was loaded with testimony of the governors of the States, and from all fiscal people of the country, that the President's plan, the Clay plan, encompassed in the Dondero bill, is a sound plan and will solve the problem of building highways. It will not cost the taxpayers more money in interest, because they will be able to keep their money in their own pockets and invest it wisely and well.

Mr. Chairman, I support the Dondero bill wholeheartedly.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I think we all realize that regardless of how this program is financed, the public is going to pay the bill. If we finance this by a bond issue, it means we are going to be paying an extra $11.5 billion, which is not necessary to be spent by anyone. This Clay plan merely offers a vehicle for a group of New York bankers to enrich themselves at the expense of the taxpayers. On a pay-as-you-go basis we can raise sufficient funds to build all of the highways that could possibly be built during any period. There is some excuse for borrowing money to make an investment on which you expect a later return and when you can expend all of the money at that time, but if you will refer to all of the figures given here, you will see that the pay-as-you-go plan as proposed in the Fallon bill is the best solution. While I might not agree with all of the schedules in that bill, I think it is probably the best plan that could be worked out at this time, and above all, I think we should pay as we go and not waste $11.5 billion which would build many, many thousands of miles of highways, in order to satisfy the greed which is so typical of those who have come into this administration, through Dixon-Yates, and through other plans such as this. It is typical of the administration that it is trying to further enrich the wealthy people who have been financing this administration. I think it will be a tragedy to try to finance this program through a bond issue and have the taxpayers pay out $11.5 billion to some group of Wall Street bankers.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, I would like to call the attention of all the Members of the House to the fact that there is nothing in the Dondero bill that precludes the great Committee on Ways and Means from exercising their prerogatives on the 1st of January and levying the money or taxes on the American people to retire these bonds.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman.

Mr. JONES of Missouri. Will you not still have the interest on the bonds to pay?

Mr. GEORGE. Not if you retire them, and more are not issued.

Mr. JONES of Missouri. You are still issuing the bonds and there is the expense of issuing the bonds.

Mr. GEORGE. It is a staggered issue and will not amount to much. If you want fiscal responsibility, it is in your hands. I will help you to bring it back to the country. I would gladly help you do that.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman.

Mr. McCARTHY. If the gentleman is serious in that proposition, would it not be better to have them go ahead and finance these preliminary activities through regular Treasury operations and then have the Committee on Ways and Means do what they have to do? If they do not do that, if the Committee on Ways and Means fails to act, then the gentleman can propose this bonding operation.

Mr. GEORGE. I happen to be on the committee that passed out the Fallon bill. We have one substitute. I do not know what the procedure is going to be on the floor if those two bills are voted down. But I can guarantee one thing, that I will help any of the Members on that side who want fiscal responsibility. I will help them reduce the interest payment, if they are afraid of it. But they have never been afraid of it for 20 years; why should they be so concerned now?

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, again I want to call the attention of the House to the major defects in the Dondero plan.

First of all, it will cost the taxpayers actually more than the $11.5 billion we have been talking about here. That was the figure on the most favorable report on the interest rate, under the most favorable conditions. Actually it will cost somewhere between $12 and $13 billion, according to other reports.

Second, the Dondero plan would provide for a complete freeze in the primary and secondary roads which serve 86 percent of the population of the country. We will not be able to expand during the next 30 years any Federal activity in this field in order to pay this exorbitant interest for that period of time. If anyone does not believe that, just look at the testimony before the committee.

Third, we would give up all control in the Congress over the way to regulate this program, give it to outside corporations over which the Congress would have no power.

Fourth, and mighty important, I would rather stand on the side of fiscal responsibility with the Comptroller General and with Senator BYRD, than with people like some of the governors that my friend the gentleman from New York [Mr. BECKER] supports so strongly.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, until this discriminatory Fallon bill was introduced, the trucking industry as a whole had been rather peaceful individuals. In fact, most of the executives in the trucking industry are former truck drivers. They came up the hard way. They started out with one truck and expanded as our economy expanded.

But in one respect this bill has been good for them. Mr. Chairman, the debate in the committee and the discussion of the proposal have alerted this industry to their problem.

There are 7½ million people in the United States who derive their income directly from the trucking industry. Up until now they thought that they could let the Congress alone. They never bothered us. True, about a year ago, they sent everybody a nice desk pad with a little slogan on it that said, "You got it, the truck brought it."

That is so true. If you got it, the truck brought it to you. But they have trusted the Congress to pass legislation that would not put them out of business. Now that this discriminatory tax has been proposed, you have alerted a sleeping giant and I can assure you that between now and next year you will hear from this industry; 7½ million people, who have been affected, are going to be heard from.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I have never been prouder of my party than I am right now. I rise to oppose the Dondero amendment and to congratulate the Members on my side who have had the courage of their convictions to try to put this Nation back on the road to fiscal responsibility. You have heard time and again here of intimidations and threats, "You are going to hear from this person and you are going to hear from that person."

I want to tell you, Mr. Chairman, that my party here is going on record that it is a party of fiscal responsibility, and despite the legerdemain efforts of those who take the opposite view, and I respect them, I cannot see how if you have to pay $11.5 billion worth of interest that is in the interest of fiscal responsibility.

The Democratic proposition, if you please, which is opposed to the Dondero amendment, is the proposal of fiscal responsibility, pay as you go, call an ace an ace and a spade a spade. It is for that reason that I want to congratulate the leadership on my side of the aisle. I stand in opposition to the Dondero amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, it is remarkable this change that has taken place on the other side of the House. I listened attentively to my friend, the gentleman from Mississippi [Mr. SMITH] and listened to my good friends, the gentleman from Texas [Mr. PATMAN], and the gentleman from Florida [Mr. MATTHEWS] discussing fiscal responsibility. Where have you been for the last 20 years on your fiscal responsibility? Why, you did not know what fiscal responsibility was then nor do you now. When the agricultural program on flexible and rigid price support legislation was before the House I did not hear any talk about bringing in a companion bill to tax the American people to take care of the subsidy payments of several billions of dollars. Oh, no. Your fiscal responsibility ends when it comes to cotton, tobacco, peanuts, wheat, corn, soybeans, and all the other products on the subsidy program. Talking about fiscal re-

sponsibility, why did you not bring in a companion bill at the time to tax the people to pay for the subsidies on the things you are storing up to deteriorate and rot and go to waste? You well know that a companion tax bill to pay for the tremendous loss sustained would kill the program. The taxpayers would rebel, it would not be politically expedient, so let us hear no more about fiscal responsibility.

Most of you voted for the Mutual Security bill, for $3.5 billion even though there was $8,717,000,000 authorized but unexpended. You did not bring in a companion bill to tax the American people $3.5 billion to pay for the program. You did not dare to because it would not pass the House. It is all right to legislate to spend and put off the day of payment but this companion tax legislation never occurred to you until this highway legislation was introduced.

Now all of a sudden you have become very practical and realistic. What a change. It is amazing. And we are charged on our side with fiscal irresponsibility, after you have built up a debt of approximately $280 billion. There was not one of you for 20 years ever thought of bringing in a companion tax bill to pay for anything you have spent over a long period of years and now out of a clear sky you are assuming a grave attitude and you talk about fiscal responsibility. My, what a change.

You should have been thinking about fiscal responsibility back in the days when we had the NRA, the WPA, the PWA, the youth movements, the ballet dancers, and the goldfish swallowers. There was no talk about tax bills to accompany those programs or about fiscal responsibility.

You should have been thinking about fiscal responsibility back in the days when they were converting young hogs into fertilizer, distributing the fertilizer to the farmers to increase the yield and production, and then plowed it under. You did not introduce companion tax bills to pay for these programs. No talk about fiscal responsibility. So, it comes with poor grace for anyone to talk about fiscal responsibility or irresponsibility after these colossal programs were carried on with no thought of tomorrow and the placing of the burden of debt and taxation on the generations that are to follow us. What a legacy to bequeath them.

That was back in the days when everything was spending, and now, suddenly, we hear about fiscal responsibility. Well, there is one way to stop these colossal programs of spending such as foreign aid and agricultural subsidy spending, and that is to talk about taxes. When a companion tax bill is introduced along with a spending program, very few programs will get by this House, the spending will stop, the budget will be balanced, and relief afforded the long-suffering American taxpayer who has been carrying the load. So it is encouraging after all these years to see this changed attitude.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, we are going to start today to get America out of the traffic jam or we are going to bog down this road program in legislative mud. Today we start a program to reduce highway accidents or to accelerate them—a program to speed up or delay the entire economic progress of this country. We vote to adopt the President's program or for no program at all.

We all recognize, as has been pointed out, that the Dondero bill is not hocus-pocus financing. I wonder if you gentlemen that use that term have ever heard of authorities, if you do not know that the bulk of the road and the bulk of the bridge programs in the more progressive States have been built and financed by authorities.

When you say this is financial irresponsibility, what you are saying in effect is that the Appropriations Committee and the Ways and Means Committee in the years to come cannot study the economic situation and the fiscal situation and determine how much of this bond issue can be liquidated year by year.

I submit to you again that if we are going to get America out of the traffic jam, we must have the Dondero plan passed. We have to have a commission operating. We have to have these road programs started. Any delay is going to be much costlier to the American economy than any interest charges which may accrue. Let us buy the roads we need on the installment plan and pay the bill as fast as we are financially able to pay.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. In these closing moments of the debate, I plead with my colleagues, both Republicans and Democrats, to stand by the President of the United States and support the President's program, which is the Dondero substitute. This program the President holds is sound and workable. Let me plead with both Republicans and Democrats to stand by their governors, most of whom have said they fear the Fallon bill because it will impose an additional 1 cent a gallon tax on gasoline. This gas tax revenue will be taken away from the States and thus deprive the States of money they well need to build secondary roads to the farms and urban roads in the cities.

Now I am going to say something to the Democrats which I, as a Republican, perhaps should not say. That lovable character, JOE MARTIN, once said to me, "Don't take on everybody all at once and fight everybody at the same time." I want to say to you Democrats that if you pass the Fallon bill in preference to the President's proposal you are penalizing the trucking industry of this country and all the employees of that industry. You are penalizing all the people who are operating the trucks. There were 100 telegrams on my desk today and maybe as many on each of your desks protesting the 15 cents a pound tax imposed on truck tires. You are offending the truckers who are being taxed 4 cents a gallon on diesel fuel. The Fallon bill places a $300-a-year tire tax on the logging trucks and there are tens of thousands of them in the Western States. Those log truckers have been voting the Democratic not the Republican ticket.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I cannot believe that 5 men who sat around the table for 4 months almost day and night and heard witnesses representing every interest in this country and the governors of the States, including such men as General Clay and David Beck, of the teamsters union, could make such a gross mistake and recommend to the American people a plan for the building of roads that is not sound. We will soon vote, in a few minutes, on whether we want to adopt this sound plan. In addition, the Secretary of the Treasury has been quoted here several times this morning. I heard all of his testimony and he told us whatever way we choose to do this job, the American people must pay the bill. If you take the bond plan, as provided in the bill before us, the job undoubtedly will be done sooner, in 10 years, even though we might pay interest, by spreading it over 30 years, more people and more car owners would help to bear the cost. If we do it under the Fallon plan, they must pay their money now and every year for the next 15 years in order to do the job. The Secretary said very frankly you could do it either way, but in the final analysis the people of the United States will pay for the roads. It is just a matter of commonsense. I think we ought to take the better way to do it and let the burden fall on more people and more car owners.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FALLON] to close debate.

Mr. FALLON. Mr. Chairman, I am sure the taxpayers in the final analysis are willing to pay for this job that has to be done. But, under the provisions of H. R. 7474 they save $11,500,000,000.

Talk about taking this money from the States, when this money is collected it goes to the States for an interstate system of highways.

The gentleman from Washington complained about this heavy tax burden on so few people. He voted for this bill when it was reported out of committee.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. FALLON. In just a minute. I ask the gentleman if he is going to vote for H. R. 7474 if the Dondero bill is defeated.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. MACK of Washington. I stated yesterday and I state now that I propose to vote for the Dondero substitute because the President wants it and the Secretary of the Treasury says it is the best bill. I do insist that we must have a road bill even if we cannot get this one the President proposed.

Mr. FALLON. I may say to the gentleman and others who mentioned this morning the opposition from 7,850,000 truckers, that this is the greatest insurance policy that you can give a truck-driver, that when he leaves home in the

morning he will have more of a chance to arrive back safely at his home at night.

The CHAIRMAN. The time of the gentleman from Maryland has expired, all time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. DONDERO], as amended by the Mack amendment.

Mr. DONDERO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. FALLON and Mr. DONDERO.

The Committee divided; and the tellers reported that there were—ayes 178, noes 184.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. (a) For national defense and other purposes, it is considered essential to provide for the early completion of a National System of Interstate and Defense Highways, which system shall be understood to mean a system of highways of primary importance to the national defense and economy and welfare of the Nation, and shall be the system referred to as the National System of Interstate Highways, authorized in section 7 of the Federal-Aid Highway Act of 1944, which act is hereby amended to substitute the term "National System of Interstate and Defense Highways" for the term "National System of Interstate Highways" wherever that term appears in that act or any other acts. When used herein the term "National System" shall be understood to mean the National System of Interstate and Defense Highways described above.

(b) For the purpose of expediting the construction, reconstruction, and improvement of the National System, including extensions, spurs, and distributing connectors thereof through, within, and into urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of $1,200,000,000 for the fiscal year ending June 30, 1957, the additional sum of $1,500,000,000 for the fiscal year ending June 30, 1958, the additional sum of $1,700,000,000 for the fiscal year ending June 30, 1959, the additional sum of $2 billion for the fiscal year ending June 30, 1960, the additional sum of $2 billion for the fiscal year ending June 30, 1961, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1962, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1963, the additional sum of $2,300,000,000 for the fiscal year ending June 30, 1964, the additional sum of $2,300,000,000 for the fiscal year ending June 30, 1965, the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1966, the additional sum of $2 billion for the fiscal year ending June 30, 1967, the additional sum of $1,200,000,000 for the fiscal year ending June 30, 1968, and the additional sum of $1,200,000,000 for the fiscal year ending June 30, 1969. The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the estimated cost of completing the National System in each State bears to the estimated total cost of completing the National System in all of the States and the District of Columbia as set forth in the computations compiled by the Bureau of Public Roads on pages 6 and 7 of House Document No. 120, 84th Congress: *Provided further*, That the Federal share payable on account of any project on the National System provided for by funds made available under the provisions of this section shall be increased to 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area: *And provided further*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project.

(c) Any sums apportioned to any State under the provisions of this section shall be available for expenditure in that State for 2 years after the close of the fiscal year for which such sums are authorized: *Provided*, That such funds for any fiscal year shall be deemed to be expended if a sum equal to the total of the sums apportioned to the State for such fiscal year and previous fiscal years is covered by formal agreements with the Secretary for the improvement of specific projects under this section.

(d) Any amount apportioned to the States under the provisions of this section unexpended at the end of the period during which it is available for expenditure under the terms of subsection (c) of this section shall lapse.

(e) No funds authorized to be appropriated for any fiscal year by this section shall be apportioned to any State within the boundaries of which the National System may lawfully be used by vehicles with any dimension or with weight in excess of the greater of (1) the maximum corresponding dimensions or maximum corresponding weight permitted for vehicles using the public highways of such State under laws in effect in such State or regulations established by appropriate State authority effective on March 1, 1956, or (2) the maximum corresponding dimensions or maximum corresponding weight recommended for vehicles operated over the highways of the United States by the American Association of State Highway Officials in a document published by such association entitled "Policy Concerning Maximum Dimension, Weights, and Speeds of Motor Vehicles To Be Operated Over the Highways of the United States" and incorporating recommendations adopted by such association on April 1, 1946. Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions of this section shall be reapportioned, in the same manner as provided in paragraph (b) of this section, to the States which have not been denied apportionments pursuant to such provisions: *Provided, however*, That nothing herein shall be construed to deny apportionment to any State allowing the lawful operation over the public highways within such State of any vehicles or combinations thereof that could be operated lawfully over the public highways within such State on March 1, 1956.

(f) The Secretary is directed to take all action possible to expedite the conduct of a series of tests now planned or being conducted by the Highway Research Board of the National Academy of Sciences, in cooperation with the Bureau of Public Roads, the several States, and other persons and organizations, for the purpose of determining the maximum desirable dimensions and weights for vehicles operated on the Federal-aid highway systems and, after the conclusion of such tests, but not later than March 1, 1958, to make recommendations to the Congress with respect to such maximum desirable dimensions and weights.

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: Page 4, line 11, through page 6, line 4, strike out all of subsection (b) and insert in lieu thereof the following subsection:

"(b) For the purpose of expediting the construction, reconstruction, and improvement of the National System, including extensions, spurs, and distributing connecters thereof through, within, and into urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of $600 million for the fiscal year ending June 30, 1957, the additional sum of $750 million for the fiscal year ending June 30, 1958, the additional sum of $850 million for the fiscal year ending June 30, 1959, the additional sum of $1 billion for the fiscal year ending June 30, 1960, the additional sum of $1 billion for the fiscal year ending June 30, 1961, the additional sum of $1,100,000,000 for the fiscal year ending June 30, 1962, the additional sum of $1,100,000,000 for the fiscal year ending June 30, 1963, the additional sum of $1,150,000,000 for the fiscal year ending June 30, 1964, the additional sum of $1,150,000,000 for the fiscal year ending June 30, 1965, the additional sum of $1,100,000,000 for the fiscal year ending June 30, 1966, the additional sum of $1 billion for the fiscal year ending June 30, 1967, the additional sum of $600 million for the fiscal year ending June 30, 1968, and the additional sum of $600 million for the fiscal year ending June 30, 1969. The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the estimated cost of completing the National System in each State bears to the estimated total cost of completing the National System in all of the States and the District of Columbia as set forth in the computations compiled by the Bureau of Public Roads on pages 6 and 7 of House Document No. 120, 84th Congress: *Provided further*, That the Federal share payable on account of any project on the National System provided for by funds made available under the provisions of this section shall be increased to 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area: *And provided further*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project."

Mr. WRIGHT. Mr. Chairman, the amendment I have offered is an effort to restore a sense of responsibility, restraint, and moderation to this road-building program. I am fully aware that we do need improvements in this very limited system of interstate roads. Yet at the same time, Mr. Chairman, we need similar improvement in the other 99 percent of the roads all over this country.

The effect of this amendment would be to cut in half the very, very abrupt increase that is provided in H. R. 7474 for the very limited interstate system of highways. Where the bill appropriates an average of $2 billion annually for the interstate system, my amendment would reduce this to an average of $1 billion annually.

The purpose of this amendment is to scale down this very abrupt 8,000 percent increase and permit the conference committee to moderate the abrupt tax increases proportionately and still have a pay-as-we-go program.

Twenty-four billion dollars, Mr. Chairman, is a very appreciable amount of money. Let us see what it buys. It buys improvements on these roads, and

I wish every Member of the House would look at this map, which I hold in my hands, and see what a very, very small percentage of the overall road needs of our country would be supplied by this bill which sets two-thirds to three-fourths of all Federal highway funds on that extremely limited 1 percent of the roads.

It is true that these roads are some of the most important roads in the country and carry more traffic proportionately than the others. And yet, at the most, they carry only one-seventh of the motoring traffic of this Nation. This bill asks us to place two-thirds to three-fourths of all Federal highway funds upon that system. My amendment, I think, would bring the overall program into better balance.

It is obvious, Mr. Chairman, that we cannot spend the kind of money involved in the Fallon bill without very radically increasing taxes. I fully agree that those who profit most from the use of the roads should assume their full proportionate share of the cost. Let us make no mistake about it, however. Those excise tax increases, abrupt as they are, will find their way into the pocketbooks of the average American for whom we are not providing in this interstate system the kind of roads that he will find serviceable and frequently usable.

Approximately $650 per family will go under the Fallon bill to pay for this very little stretch of road. Therefore, I suggest in the interest of restraint and moderation that we trim it back to half that amount so that we can then trim back the very sudden increase in taxes; 50-percent increase in the Federal gasoline tax, 100-percent increase in the diesel tax, 200-percent increase in the tax on larger tires. These are not negligible increases, and I believe they should be more moderate.

My amendment would still permit the most dynamic and the most constructive highway building program that has ever been undertaken in the entire history of the United States or perhaps of any nation on the face of the earth.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. SCHERER. Was not the uncontradicted evidence before the Committee on Public Works to the effect that the density of traffic on the interstate system is 14 times that of the average density on all the other systems?

Mr. WRIGHT. Obviously, since this 1 percent of the roads carries 14 percent of the traffic, I think that is true. Still, one-seventh of the traffic does not deserve three-fourths of the Federal funds. I am inclined to think we should build a road program of which we can all be proud, a program for all Americans, for all of the average Americans, the farm folks and the small town folks and the suburbanites who do most of their driving on city streets and all the rest. I think this amendment brings it better into balance.

In last year's appropriation we appropriated $25 million for the interstate highways. This bill as it comes out of committee would increase that by an average of 8,000 percent, and there are very serious questions as to whether that sudden an increase can be accomplished without serious inflationary dislocations.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. THOMPSON of Louisiana. I want to congratulate the gentleman on his statement and commend him for giving the House a real, practical solution for the situation in which we find ourselves. I want to say again that his amendment will still provide a 4,000-percent increase in the expenditures on this Interstate Highway System.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Florida.

Mr. CRAMER. Is it not obvious that the reason the gentleman from Louisiana [Mr. THOMPSON] is so much in favor of the gentleman's proposal is that it comes in by the back door and does what the House refused to do yesterday, that is, accept the Thompson bill?

Mr. WRIGHT. On the contrary. We did not have a fair chance yesterday, since those on the Republican side of the aisle were then obviously bound by caucus agreement. I hope that agreement will not apply against this amendment today.

Let me say that I offered this in committee and it was not accepted, although some of us went along with it. In fairness I must tell you that. But I took the position that the whole House should have an opportunity to vote for a highway bill carrying an increase but a less radical increase. I think we are going too far too fast, and that a nation no less than a family must learn to live within what it can afford to spend. I think this amendment provides a very constructive manner of solving this highway problem.

Moreover, I am convinced that a moderate bill of this type can be enacted and can give us a highway program. I predict that the Fallon bill, if not amended in this fashion, will not pass this body but will be rejected.

Mr. FALLON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman was considered in committee and defeated by the committee.

We are not jumping into this thing in a hurry. This has been studied by the governors and highway commissioners of all the States. It is their recommendation that this work be done. It is their recommendation and estimate of the cost. It is also the recommendation of the Clay committee, who studied this problem, along with the other groups. Our committee is not setting ourselves up as experts on how it should be done or how swiftly it should be done. We are taking the advice of these people, who have given this years of study. That is the reason we come out with this particular number of miles at an estimated amount of money. The gentleman's amendment will not do the job. It will do only half the job. To complete a job half done will cost twice as much as if you do the whole job at one time.

Mr. GEORGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure my good friend, the gentleman from Texas [Mr. WRIGHT], did not want to mislead the Congress when he made the 8,000-percent statement. It is true it is 8,000 percent above the $25 million we are now appropriating or have been appropriating on the Interregional System, but the record before our committee shows that some States are spending as much as 50 percent of their total road funds on this system at the present time. So when you say 8,000 percent, it is 8,000 percent of practically nothing, it is not 8,000 percent of what we are now doing throughout the United States on the principal highway system of the United States.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman from Texas.

Mr. WRIGHT. I did not intend to lead anyone wrong. I said it would be an 8,000-percent increase in the amount federally appropriated for that system last year, $25 million. Two billion dollars is 80 times that, or 8,000 percent increase.

Mr. GEORGE. But the evidence before our committee showed that some States, in many instances, were spending as much as 50 percent of their total money in constructing this system now, and if this program now proposed in the Fallon bill goes through, those States will be relieved of that burden and only have 10 percent of the program to pay. So they will have the money they are now spending on this system to go out on the other roads in their States.

Mr. WRIGHT. The gentleman will agree, will he not, that that at best is a presumption?

Mr. GEORGE. No, I will not agree that that is a presumption.

Mr. WRIGHT. We are assuming that that is what might happen.

Mr. GEORGE. I am sure it will happen because local pressure will see that it does.

Mr. GROSS. Mr. Chairman, will the gentleman yield so that I may ask the gentleman from Texas a question?

Mr. GEORGE. I yield.

Mr. GROSS. Do I understand your amendment cuts out the tax increases in the Fallon bill?

Mr. WRIGHT. It is not possible to cut it out under the rule that was adopted, I will say to my friend, the gentleman from Iowa, but it does do this—by limiting, by cutting out half of this excessive, additional money set aside for the interstate system, it will permit the conference committee to trim down those taxes because this more abrupt tax increase will no longer be necessary.

Mr. GROSS. But that has to be left to the conference in order to do that?

Mr. WRIGHT. I agree with the gentleman that is the only recourse open to us at this moment; if we wish to trim down the abruptness and excessive increase going on overnight, this is the only means I see open to us at this moment.

Mr. GROSS. So that if we vote for the Fallon bill, we are still voting to increase the various taxes.

Mr. WRIGHT. There will surely be some increase, I think that is true. I am inclined to think that there should be—if we increase funds we should have the honesty to increase the taxes. But my position is, may I say to the gentleman, that I just do not think we want to increase it that abruptly.

Mr. GEORGE. I did not intend to give the gentleman an extra 5 minutes on his amendment.

Mr. JONES of Alabama. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas [Mr. WRIGHT]. I do so for this reason. The road bill is handled by the House biennially. Next year the Committee on Public Works in the performance of its duties will report a road bill. The funds of $1 billion made available will be sufficient for us to get the interstate program well underway. It will also reserve for the House an opportunity to observe the success of the program. There is no need for rushing into a program of the proportions that are asked for in the Fallon bill of some $24 billion. We must approach a road program with the hope of getting some uniformity of construction for if we are going to appropriate three-fourths of the total sum—if we appropriate $24 billion for 40,000 miles of roads, the next question which would normally come to our minds is—what is to be done for the other categories of roads amounting to 720,000 miles of roads that are eligible to be the beneficiary of Federal assistance? Through this method of reducing them to $1 billion, it means we can carry on concurrently a progressive road improvement program and see that the proper amounts are expended on the secondary, urban and primary roads.

What would happen if we construct these superhighways? It is going to place a tremendous burden on the States to provide access to those highways. Those of us who have been on the committee realize that the 20 percent that can be transferred from one category of roads to the other is not going to be sufficient for the States to carry out the matching program to the extent of bringing unity in the road-construction program.

The gentleman says this approach to the problem is entering by the back door. I do not think it is a back-door approach, but if it is, it is the proper entrance to the house, for $1 billion a year is exactly 4,000 percent more than we provided in the 1955 Highway Act.

I hope the Committee will see fit to accept this amendment. In subsequent years, if the program needs accelerating, certainly it can be the business of the Committee on Public Works to look into the situation and recommend remedial legislation.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Texas.

Mr. POAGE. I am going to vote for this amendment, but even if this amendment is adopted how are we going to increase our road construction 4,000 percent? In my hometown there is a cement mill, yet they are selling Mexican cement in Waco, Tex., today because they cannot get enough cement from American mills. How are we going to get the necessary cement and other materials necessary to carry out this tremendous program?

Mr. JONES of Alabama. The gentleman will remember the testimony before the committee in which we were given assurance that materials would be available to carry out such a program as well as the additional personnel required.

Mr. POAGE. It is true representatives from various industries concerned appeared, but in my opinion they did not show us how we could do it.

Mr. FALLON. I do not recall that there was firm assurance that all the material and personnel would be furnished.

Mr. POAGE. What was the gentleman's impression?

Mr. JONES of Alabama. If the Wright amendment prevails it will mean we will have a deficit above present excise taxes of approximately $400 million. If we insist on the full amount in the Fallon bill, it will mean that we will run deficits over a period of time of approximately $900 million annually.

Mr. Chairman, this is a good amendment, and I hope it will prevail.

The CHAIRMAN. The time of the gentleman from Alabama has expired, all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. WRIGHT].

The question was taken; and on a division (demanded by Mr. SMITH of Mississippi) there were—ayes 55, noes 115.

So the amendment was rejected.

Mr. FRELINGHUYSEN. Mr. Chairman, at this stage of the debate many of us in this Chamber, or at least the spectators in the gallery, are in a state of some confusion. Most of us will agree that this Nation is in real need of a greatly improved highway system. Sharp disagreement has developed regarding the best way to accomplish this goal. Now it seems possible that no legislation will be enacted because of a failure to reach a reasonable compromise between various points of view. If this should occur, it will be because of political maneuvering.

As a Representative from New Jersey, I should naturally like to see an acceleration in our present effort to build more modern highways. The roads of our State are very heavily traveled—seven times more heavily than the national average. We need more and better roads and we need them quickly.

Despite my convictions on this point, Mr. Chairman, I find myself today in a real quandary. How should one vote on the various problems represented by the various amendments offered here today? How should one vote on the final issues to be presented when these amendments have been approved or disapproved?

Perhaps we should look to others for advice. In some cases my colleagues can turn to officials and friends in their own States. Many of us have had a variety of suggestions from our constituents. Some of us have even heard from the governors of our States.

I would like to quote from a letter of July 25, written to me by Gov. Robert B. Meyner, of New Jersey. The Governor, I should point out, is a distinguished Democrat. His opinions on certain matters, nonetheless, appear of no great help to us here in Washington.

In his letter of July 25, Governor Meyner wrote:

> It is my understanding that the Fallon Highway Act will be brought before the House of Representatives July 26, 1955. I am taking this opportunity to impress upon you the extreme urgency that a highway bill, favorable to New Jersey, be enacted before Congress recesses.

The Governor then pointed out why New Jersey, as a corridor State, has serious traffic problems. Unless New Jersey receives maximum assistance in providing the funds for an adequate transportation system, he continued, "the continued economic well being of this State will be jeopardized by the loss of industrial and residential expansion within its borders."

The Fallon bill, he pointed out, will provide New Jersey with considerably more Federal money than its taxpayers will have to contribute.

Governor Meyner concluded as follows:

> I believe New Jersey will suffer greatly if Congress adjourns without enacting a highway bill. Your efforts on behalf of the Fallon bill, the Clay bill as expressed by the President or an amended version of existing bills so that New Jersey can receive aid for necessary and vital construction would be most appreciated by our 5 million citizens.

This astonishing advice, Mr. Chairman, if followed by three of us from New Jersey, would result in our voting for any proposal which may be made regardless of its specific provisions.

We should be in favor of any highway bill "favorable to New Jersey." The Governor attempts to straddle the issue by suggesting that any version of any bill would be favorable to New Jersey.

If no provision is made for bonds to insure reasonable financing, for example, we might still be expected to vote favorably. If unfair and iniquitous taxes are proposed to pay the cost of the highway program, we are nonetheless expected to vote favorably. So long as New Jersey gets Federal money regardless of how much it will receive or from where it comes, we would be for this legislation.

Despite his indiscriminate advocacy of any highway bill, Governor Meyner favors the Fallon bill. His advocacy of this bill seems all the more extraordinary because he outspokenly supported the President's highway program less than 3 months ago. On May 4 Governor Meyner was in Washington. He invited all the members of the New Jersey congressional delegation, including our two Senators to a conference. At that time he endorsed specifically the so-called Clay plan.

Later that same day Governor Meyner appeared before the Public Works

Committee. In his testimony, appearing on pages 372–375 of the committee hearings, he said that—

The Clay report offers us the best chance of solving this problem and I should like to urge upon you the consideration of the Clay report particularly that portion of it which provides for a greater recognition of financing the interstate roads.

We need good roads, and we must find some way to pay for them. It is doubtful, however, if we can accomplish these ends by blindly supporting any kind of a highway program. Advice of that kind would seem to be against the best interests of the citizens of the Nation as well as the residents of New Jersey.

I shall support the President in his efforts to secure a more adequate highway program for the Nation. Although I have serious reservations about the Fallon bill, I shall, if necessary, even support this approach so as to secure better roads.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The balance of the bill follows:

SEC. 3. Not more than 20 percent of the respective amounts apportioned to a State for any fiscal year from funds made available for expenditure under clause (a), clause (b), or clause (c) of the first section, or from funds authorized to be appropriated under section 2, may be transferred to the apportionment made to such State under any other of such clauses or under such section, except that no such apportionment may be increased by more than 20 percent by reason of transfers to it under this section: *Provided*, That such transfer is requested by the State highway department and is approved by the Governor of said State and the Secretary as being in the public interest: *Provided further*, That the Federal share payable on account of any project provided for by funds made available by transfer under the provisions of this section shall not exceed 50 percent of the costs thereof, including the costs of rights-of-way, except that in the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of the total area: *Provided further*, That the transfers hereinabove permitted for funds authorized to be appropriated for the fiscal years ending June 30, 1957, through the fiscal year ending June 30, 1968, shall likewise be permitted on the same basis for funds which may be hereafter authorized to be appropriated for any subsequent fiscal year: *And provided further*, That nothing herein contained shall be deemed to alter or impair the authority contained in the last proviso to subparagraph (b) of section 3 of the Federal-Aid Highway Act of 1944.

SEC. 4 (a) As a partial means of providing an increase in general fund revenue to the Treasury with which to finance the program relating to highways and to realize the general benefits which will result from an adequately improved highway system as authorized by this act, the Internal Revenue Code of 1954 is amended as provided in the following subsections of this section, effective at the time and for the periods specified in such subsections. It is the intent of Congress that, in addition to revenues presently available for such purposes, such increased revenues provided for in this act shall be devoted to the highway program herein authorized.

(b) (1) Subsection (a) of section 4041 of such code (relating to tax on diesel fuel) is hereby amended by striking out "2 cents" and inserting in lieu thereof "4 cents."

(2) Subsection (b) of such section (relating to special motor fuels) is amended by striking out "2 cents" and inserting in lieu thereof "3 cents."

(3) Such section is hereby amended by striking out subsection (c) and inserting in lieu thereof the following new subsections:

"(c) Nonhighway use: Under regulations prescribed by the Secretary or his delegate, the tax on fuels described in subsections (a) and (b) sold for use or used other than as a fuel for the propulsion of a vehicle used on the public highways shall remain at the rate in effect on the day prior to the enactment of the National System of Interstate and Defense Highways Act of 1955.

"(d) Rate reduction: On and after July 1, 1971, the taxes imposed by this section shall be 1½ cents a gallon in lieu of the rates specified in subsections (a), (b), and (c)."

(c) Section 4061 (a) (1) of such code (relating to tax on trucks, truck trailers, buses, etc.) is amended by striking out "8 percent" and inserting in lieu thereof "10 percent" and by striking out "April 1, 1956" and inserting in lieu thereof "July 1, 1971."

(d) Section 4071 of such code (relating to tax on tires and tubes) is hereby amended to read as follows:

"SEC. 4071. Imposition of tax.

"(a) Tax on tires and tubes: There is hereby imposed upon the following articles, which are wholly or in part of rubber, sold by the manufacturer, producer, or importer a tax at the following rates:

"(1) Tires which are more than 8½ inches in cross section and more than 18 inches rim diameter and are of the type used on articles taxable under section 4061 (a) (1), 15 cents a pound; except that on and after July 1, 1971, the tax shall be 5 cents a pound.

"(2) Tires which are more than 7¼ inches in cross section and more than 18 inches rim diameter and are of the type used on articles taxable under section 4061 (a) (1), and are not taxable under paragraph (1), 8 cents a pound; except that on and after July 1, 1971, the tax shall be 5 cents a pound.

"(3) Other tires, 5 cents a pound.

"(4) Inner tubes for tires taxable under paragraph (1), 15 cents a pound; except that on and after July 1, 1971, the tax shall be 9 cents a pound.

"(5) Other inner tubes for tires, 9 cents a pound.

"(6) Under regulations prescribed by the Secretary or his delegate, the tax on tires described in paragraphs (1) and (2) sold for use on a vehicle which will not be used on the public highways shall be 5 cents a pound, and the tax on inner tubes described in paragraph (4) sold for such use shall be 9 cents a pound. The preceding sentence shall not apply to tires and inner tubes sold for use in the manufacture or production of, or as a component part of, a vehicle.

"(b) Tax on camelback: There is hereby imposed upon the sale before July 1, 1971, by the manufacturer, producer, or importer of camelback with a crown width of 6 inches or more, a tax of 15 cents a pound. For the purpose of this subsection, "camelback" means rubber of the type used in recapping or retreading tires.

"(c) Determination of weight: For purposes of this section weight shall be based on total weight, except that in the case of tires such total weight shall be exclusive of metal rims or rim bases. Total weight of the articles is to be determined under regulations prescribed by the Secretary or his delegate."

(e) Section 4081 of such code (relating to tax on gasoline) is hereby amended to read as follows:

Mr. PATMAN. 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 Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, I expected to offer the following amendment to H. R. 7474:

Insert on page 11, line 8, after the word "sold", "other than through its own retail store or outlet"; and

Insert on page 11, line 9, after the comma the following word "importer", "or delivered by the manufacturer, producer, or importer to a retail store or outlet of the manufacturer, producer, or importer for the purpose of being sold by him at retail."

Under the rule granted for the consideration of this bill the amendment is not in order.

Mr. Chairman, the purpose of my amendment is to rid the bill of a feature which gives preferential tax treatment to the manufacturer, producer, or importer of tire and inner tubes over the independent retail tire dealer when he is in competition with the large manufacturer at the retail level. This tax discrimination against the small-business man works in the following manner:

Since 1941 the Internal Revenue Code—section 4071 of the Internal Revenue Code of 1954—has imposed an excise tax upon tires and inner tubes sold by the manufacturer, producer, or importer.

The Treasury Department has collected this excise tax at the time of passage of title of the tire or tube. This has resulted in putting the independent tire dealer at a competitive disadvantage with the manufacturer's retail-owned outlet. With respect to the manufacturer's retail-owned outlet, the tax is not collected until the sale to the ultimate consumer. With respect to the independent outlet, however, the tax must be collected at the time of the independent's purchase of the tire and tube from the manufacturer. Accordingly, the independent dealer must carry the tax on his own or borrowed capital, pending the sale of the tire to the consumer, whereas the competing retail outlet of the manufacturer is not subject to the tax until he sells the tire to and collects the tax from the consumer.

Efforts have been made by the House Small Business Committee to rid the excise tax upon tires and tubes of this discriminatory feature.

On July 11, 1946, when I was chairman of the House Small Business Committee I wrote to Mr. John Snyder, Secretary of the Treasury, calling the Secretary's attention to this discrimination. My letter concluded:

Under the circumstances, Mr. Secretary, it does not seem just to me that competing dealers among independents should be forced to pay this excise on their stocks at time of purchase while company-owned stores are not required to pay until sales are consummated. There should be no distinction. It

appears to me, therefore, that tire manufacturers should be subjected to the same requirements as those demanded of independent tire dealers.

Although long due, no corrective action, however, has been taken. The present bill, H. R. 7474, introduced by the gentleman from Maryland [Mr. FALLON] would not only continue this discrimination but would also increase its burden because of the higher tax upon tires and tubes and because for the first time the tax is imposed upon recapped or retreaded large tires.

While the higher tax is justified upon the basis of our highway needs, there can be no justification for allowing such a tax to give a substantial competitive advantage to the large integrated rubber companies over the small independent retail-business man.

This discriminatory tax burden which has been imposed upon the independent dealer is not an insignificant burden to the small-business man. The tax on popular large size truck tires alone is approximately $12. With a monthly inventory of 100 tires, the small dealer would have to carry a tax of $1,200 from the time he purchased the tires from the manufacturer until he sold the tires to the consumer. This substantial burden upon a small-business man may well mean that he will have to curtail or restrict his volume, which in turn could be picked up by company stores and mass chains who have ample capital and who do not have to carry the tax since it is not imposed upon them until the sale has been made to the consumer.

"SEC. 4081. Imposition of tax.

"(a) In general: There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

"(b) Nonhighway use: Under regulations prescribed by the Secretary or his delegate, the tax on gasoline sold for use other than as a fuel for the propulsion of a vehicle used on the public highways shall be 2 cents a gallon.

"(c) Rate reduction: On and after July 1, 1971, the taxes imposed by this section shall be 1½ cents a gallon in lieu of the rates specified in subsections (a) and (b)."

(f) (1) Subchapter F of chapter 32 of such code (relating to manufacturers' taxes) is hereby amended by renumbering section 4226 as 4227 and by inserting after section 4225 the following new section:

"SEC. 4226. Floor stocks taxes.

"(a) In general:

"(1) 1955 tax on trucks, truck trailers, buses, etc.: On any article subject to tax under section 4061 (a) (1) (relating to tax on trucks, truck trailers, buses, etc.) which, on the effective date of section 4 (c) of the National System of Interstate and Defense Highways Act of 1955, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 2 percent of the price for which the article was sold by the manufacturer, producer, or importer.

"(2) 1955 tax on tires and inner tubes: On tires and inner tubes subject to tax under section 4071 (a) (1), (2), or (4) which, on the effective date of section 4 (d) of the National System of Interstate and Defense Highways Act of 1955, are held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 10 cents a pound in the case of tires described in section 4071 (a) (1), 3 cents a pound in the case of tires described in section 4071 (a) (2), and 6 cents a pound in the case of inner tubes. The tax shall apply to tires and inner tubes held for sale on, or in connection with, other articles held by the manufacturer, producer, or importer of such other articles, and to tires and inner tubes held for use in the manufacture or production of other articles. The tax shall not apply to tires and inner tubes held for sale by the manufacturer, producer, or importer thereof, or to tires and inner tubes the sale of which will be subject under the provisions of section 4218 (a) (2) or 4219 to the manufacturers tax on tires and inner tubes.

"(3) 1955 tax on camelback: On camelback subject to tax under section 4071 (b) which, on the effective date of section 4 (d) of the National System of Interstate and Defense Highways Act of 1955, is held by a dealer, there is hereby imposed a floor stocks tax at the rate of 15 cents a pound.

"(4) 1955 tax on gasoline: On gasoline subject to tax under section 4081 which, on the effective date of section 4 (e) of the National System of Interstate and Defense Highways Act of 1955, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 1 cent a gallon. The tax shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline for sale by a producer or importer of gasoline.

"(b) Definitions: When used in subsection (a), the terms 'dealer' and 'held by a dealer' have the meaning given them by section 6412 (b).

"(c) Applicability of section 6416: The provisions of section 6416 shall be applicable to the floor stocks taxes imposed by this section, so as to entitle, subject to all provisions of section 6416, any person paying such floor stocks taxes to a refund or credit thereof for any of the reasons specified in section 6416."

(2) The table of sections for subchapter F of chapter 32 is hereby amended by striking out

"Sec. 4226. Cross references."

and inserting in lieu thereof

"Sec. 4226. Floor stocks taxes.

"Sec. 4227. Cross references."

(g) Section 6412 of such code (relating to floor stocks refunds) is hereby amended to read as follows:

"SEC. 6412. Floor Stocks refunds.

"(a) In general:

"(1) Passenger automobiles and parts: Where before April 1, 1956, any article subject to the tax imposed by section 4061 (a) (2) or 4061 (b) has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after April 1, 1956, if claim for such credit or refund is filed with the Secretary or his delegate prior to August 1, 1956, based upon a request submitted to the manufacturer, producer, or importer before July 1, 1956, by the dealer who held the article in respect of which the credit or refund is claimed, and, prior to August 1, 1956, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to allowance of such credit or refund.

"(2) Trucks and buses, tires, camelback, and gasoline. Where before July 1, 1971, any article subject to the tax imposed by section 4061 (a) (1), 4071 (a) (1), (2), or (4), 4071 (b), or 4081 has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale (or is held for use, in the case of camelback subject to tax under section 4071 (b)), there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after July 1, 1971, if claim for such credit or refund is filed with the Secretary or his delegate prior to November 1, 1971, based upon a request submitted to the manufacturer, producer, or importer before October 1, 1971, by the dealer who held the article in respect of which the credit or refund is claimed, and, prior to November 1, 1971, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to allowance of such credit or refund. No credit or refund shall be allowable under this paragraph with respect to gasoline in retail stocks held at the place where intended to be sold at retail nor with respect to gasoline held for sale by a producer or importer of gasoline.

"(b) Definitions: For purposes of this section—

"(1) The term 'dealer' includes a wholesaler, jobber, distributor, or retailer, or in the case of camelback subject to tax under section 4071 (b), includes any person who holds such camelback for sale or use other than the manufacturer, producer, or importer, thereof.

"(2) An article shall be considered as 'held by a dealer' if title thereto has passed to such dealer (whether or not delivery to him has been made), and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

"(c) Reimbursement of dealers: When the credit or refund provided for in this section has been allowed to the manufacturer, producer, or importer, he shall remit the applicable amount of the credit or refund, within 30 days after the date of allowance of the refund or notice of approval of the credit, to the dealer who has given his consent to the allowance of such credit or refund.

"(d) Limitation on eligibility for credit or refund: No manufacturer, producer, or importer shall be entitled to credit or refund under subsection (a) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed under this subsection."

(h) Section 6416 (b) of such code (relating to special cases in which tax payments considered overpayments) is amended by adding at the end thereof the following new paragraphs:

"(4) Off-highway uses:

"(A) In general: The tax paid under section—

"(i) 4041 (a) or (b) (relating to tax on special fuels), to the extent such tax exceeds 2 cents a gallon,

"(ii) 4071 (a) (1) or (2) (relating to tax on tires), to the extent such tax exceeds 5 cents a pound,

"(iii) 4071 (a) (4) relating to tax on inner tubes), to the extent such tax exceeds 9 cents a pound,

"(iv) 4081 (a) (relating to tax on gasoline), to the extent such tax exceeds 2 cents a gallon, and

"(v) 4226 (a) (2) or (4) (relating to floor stocks tax on tires, inner tubes, and gasoline)

shall be deemed to be an overpayment if the article in respect of which such tax was paid was, by any person, used or resold for use on or as fuel for the propulsion of a vehicle which will not be used on the public highways. This paragraph shall not apply in the case of tires or inner tubes sold or resold for use in the manufacture or production of, or as a component part of, a vehicle.

"(B) Camelback: The tax paid under section 4071 (b) (relating to tax on camelback)

and section 4226 (a) (3) (relating to floor stocks tax on camelback) shall be deemed to be an overpayment if the camelback in respect of which such tax was paid was, by any person, used in recapping or retreading a tire for a vehicle which will not be used on the public highways.

"(5) Use by municipal transit systems:

"(A) In general: The tax paid under section—

"(i) 4041 (a) or (b) (relating to tax on special fuels), to the extent such tax exceeds 2 cents a gallon,

"(ii) 4071 (a) (1) or (2) (relating to tax on tires), to the extent such tax exceeds 5 cents a pound,

"(iii) 4071 (a) (4) (relating to tax on inner tubes), to the extent such tax exceeds 9 cents a pound,

"(iv) 4081 (a) (relating to tax on gasoline), to the extent such tax exceeds 2 cents a gallon, and

"(v) 4226 (a) (2) or (4) (relating to floor stocks tax on tires, inner tubes, and gasoline) shall be deemed to be an overpayment if the article in respect of which such tax was paid was used or resold for use by a person regularly engaged in furnishing scheduled common carrier public passenger land transportation service along fixed routes if at least 75 percent of the mileage of said routes is within the incorporated city limits of municipalities.

"(B) Camelback: The tax paid under section 4071 (b) (relating to tax on camelback) and section 4226 (a) (3) (relating to floor stocks taxes on camelback) shall be deemed to be an overpayment if the camelback in respect of which such tax was paid was used or resold for use by a person regularly engaged in furnishing scheduled common carrier public passenger land transportation service along fixed routes if at least 75 percent of the mileage of said routes is within the incorporated city limits of municipalities."

(i) Section 6416 (c) of such Code (relating to credit for tax paid on tires, tubes, radios, or television receiving sets) is amended by inserting in paragraph (1) after "and inner tubes)" the following: "plus the amount of floor stocks tax paid by the person claiming the credit."

(j) The amendments made by this section, other than the amendment made by subsection (g), shall take effect on the first day of the first month which begins more than 10 days after the date of the enactment of this act.

SEC. 5. (a) In any case in which the Secretary is requested by any State to acquire any lands or interests in lands (including, within the term "interests in lands," the control of access thereto from adjoining lands) required by such State for right-of-way or other purposes in connection with the prosecution of any projects for the construction, reconstruction, or improvement of any section of the national system, the Secretary is authorized, in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation, or otherwise in accordance with the laws of the United States (including the act of Feb. 25, 1931; 46 Stat. 1421), if—

(1) the Secretary has determined either that such State is unable to acquire necessary interests in lands, or is unable to acquire such lands or interests in lands with sufficient promptness; and

(2) such State has agreed with the Secretary to pay, at such time as may be specified by the Secertary, an amount equal to 10 per centum of the costs incurred by the Secretary in acquiring such lands or interests in lands.

The authority granted by this section shall also apply to lands and interests in lands received as grants of land from the United States and owned or held by railroads or other corporations.

(b) The costs incurred by the Secretary in acquiring any such lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition. All costs incurred by the Secretary in connection with the acquisition of any such lands or interests in lands shall be paid from the funds for construction, reconstruction, and improvement of the National System apportioned to the State upon the request of which such lands or interests in lands are acquired and any sums paid to the Secretary by such State as its share of the costs of acquisition of such lands or interests in lands shall be deposited in the Treasury to the credit of the appropriation for Federal-aid highways or shall be deducted from other moneys due the State for reimbursement under section 2 of this act and shall be credited to the amount apportioned to such State as its apportionment of funds for construction, reconstruction, or improvement of the National System.

(c) The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any such lands or interests in lands acquired in any State under the provisions of this section, except the outside 5 feet of any such right-of-way in States unable or unwilling to control access, to the State highway department of such State or such political subdivision thereof as its laws may provide, upon such terms and conditions as to such lands or interest in lands as may be agreed upon by the Secretary and the State highway department, or political subdivisions to which the conveyance is to be made. Whenever the State is able and agrees to control excess, the outside 5 feet may be conveyed to it.

(d) Whenever rights-of-way on the National System are required over public lands of the United States, the Secretary may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary in this connection.

SEC. 6. (a) For the purpose of facilitating the acquisition of rights-of-way in the most expeditious and economical manner and recognizing that the acquisition of rights-of-way requires lengthy planning and negotiations if it is to be done at a reasonable cost, the Secretary is hereby authorized, subsequent to fiscal year ending June 30, 1956, upon request of the State highway department, to make available to the States, funds for acquisition of rights-of-way in anticipation of construction and under such rules and regulations as the Secretary might prescribe, in amounts equal to 10 percent of the funds apportioned and available to the State within any category of any system under this act, for said aquisition of rights-of-way for roads to be constructed within a 5-year period following the fiscal year in which such request is made on the same participation basis as provided by this act for any such system.

(b) In order to permit the initiation of this program for the national system at the earliest possible time, the Secretary, in addition to his existing authority to enter into contractual obligations, is authorized to make reimbursements or advances to the States for construction with respect to section 2 hereof, in an amount not to exceed $500 million during the fiscal year ending June 30, 1956: *Provided,* That the funds expended hereunder shall be credited against sums apportioned to the State in which expended for projects under the provisions of section 2 of this act.

SEC. 7. (a) Subject to the conditions contained in this section, 50 percent of the cost of relocation of utility facilities necessitated by the construction of a project on the Federal primary or secondary highway systems or on the national system, including extensions thereof within urban areas, may be paid from Federal funds whenever, under the laws of the State where the project is being constructed, the entire relocation cost is required to be borne by the utility: *Provided,* That in no such case shall the reimbursement on any project exceed 2 percent of the total approved cost of construction of such project.

(b) For the purposes of this section the term "utility" shall include publicly, privately, and cooperatively owned utilities.

(c) For the purposes of this section, the term "cost of relocation" shall include the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

(d) Any utility required to relocate a facility in connection with projects undertaken pursuant to this act may, on the recommendation of the State highway department, be reimbursed for its share of the costs, as provided in paragraph (a) of this section. The Secretary is authorized to make such payments on the basis of an agreement approved by him, entered into between the State highway department and the utility, which agreement shall contain an estimate or an agreed price of the cost of relocation. In lieu of such agreement the utility may file with the State highway department a certified statement of the cost of relocation, subject to the approval of the State highway department. If approved by the State highway department, such statement shall be transmitted to the Secretary, with the final voucher for approval by the Secretary.

SEC. 8. It is hereby declared to be the sense of Congress that all segments of the Federal-aid highway systems should be improved to standards adequate to meet the needs of national defense and the national economy at the earliest practicable date. The Secretary is hereby directed to submit to the Congress not later than February 1, 1957, and annually thereafter, a report on the progress made in attaining the foregoing objective, together with recommendations with regard to the programs herein authorized.

SEC. 9. In addition to the purposes set forth in section 7 of the Federal-Aid Highway Act of 1944, there shall be considered in connection with the undesignated mileage of the national system the additional purposes of eliminating bottlenecks in the evacuation routes leading from target areas, as designated by the Administrator of the Federal Civil Defense Administration, and providing such lateral feeder and distributing routes as may be required to furnish maximum utility of the system. The Secretary shall include in the annual report called for under section 8 hereof a statement showing what designations have been made during the prior calendar year.

SEC. 10. All agreements between the Secretary and the State highway department for the construction of projects on the national system may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the national system will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive

service stations or other commercial establishments to be constructed or located on the right-of-way of the national system in such State.

SEC. 11. The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial construction work performed on highway projects in the National System authorized under section 2 of this act shall be paid wages at rates not less than those prevailing on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935, known as the Davis-Bacon Act (40) U. S. C., sec. 276-a).

SEC. 12. The Secretary is authorized to consider as part of the National System any toll road, bridge, or tunnel, now or hereafter constructed which meets the standards adopted for the improvement of projects located on this system, whenever such road, bridge, or tunnel forms a logical segment of this system as presently designated or as may be hereafter designated. Where a road on which tolls are being collected is incorporated in the National System, the Secretary is authorized to approve connecting projects under this act to provide the necessary continuous system of highways: *Provided*, That agreement has been reached with the State prior to approval of any such project that (1) the section of toll road will become free to the public upon retirement of any bonds outstanding at the time of the agreement, (2) that all toll collections are used for maintenance and operation and debt service of the section of road incorporated into the system, and (3) that there is one or more reasonably satisfactory alternate free routes available to traffic by which the toll section of the system may be bypassed. Where a toll bridge or tunnel is incorporated in the National System, the Secretary is authorized to approve projects under this act approaching any such bridge or tunnel to a point where such project will have some reasonable use irrespective of its use for such bridge or tunnel.

SEC. 13. The definition of the term "construction" in section 1 of the Federal-Aid Highway Act of 1944 is hereby amended to read as follows:

"The term 'construction' means the supervising, inspecting, actual building, and all expenses incidental to the construction of a highway, including locating, surveying, and mapping, cost of rights-of-way, cost of relocation of tenants, cost of demolition of structures or removal of usable buildings to new sites, including the cost of such sites, and the elimination of hazards of railway grade crossings."

SEC. 14. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place two positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17 of the general schedule established by the Classification Act of 1949, as amended. Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

(b) The Bureau of Public Roads shall hereafter be known as the Public Roads Administration, and the Office of the Commissioner of Public Roads is hereby abolished. The head of the Public Roads Administration shall be an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall receive basic compensation at the rate prescribed by law for assistant secretaries of executive departments, and shall perform such duties as may be imposed upon him by law, regulation, or orders of the Secretary of Commerce.

SEC. 15. So much of the first section and of section 2 of the Federal-Aid Highway Act of 1954 as authorize appropriations for the fiscal year ending June 30, 1957, are hereby repealed.

SEC. 16. The provisions of section 13 of the Federal-Aid Highway Act of 1950 shall not be applicable to projects constructed pursuant to section 2 of this act.

SEC. 17. All provisions of the Federal-Aid Road Act of 1916, together with all acts amendatory or supplementary thereto, not inconsistent with this act, shall remain in full force and effect and be applicable hereto. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed.

SEC. 18. If any section, subsection, or other provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

SEC. 19. This act may be cited as the "National System of Interstate and Defense Highways Act of 1955."

Mr. FALLON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. FALLON:

Page 21, strike out lines 18 and 19 and insert "routes is within the limits of a municipal commercial zone as prescribed by the Interstate Commerce Commission."

Page 22, beginning in line 4, strike out "the incorporated city limits of municipalities" and insert "the limits of a municipal commercial zone as prescribed by the Interstate Commerce Commission."

Mr. FALLON. Mr. Chairman, this is simply perfecting language to carry out the intent of the committee.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Maryland [Mr. FALLON].

The committee amendment was agreed to.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama: Page 26, line 6, strike out section 7 and renumber the subsequent sections.

Mr. JONES of Alabama. Mr. Chairman, section 7 is the so-called utilities section of the bill and provides that States may be reimbursed for payments made to utilities for the relocation of their lines on public thoroughfares up to 50 percent of the cost, and not to exceed 2 percent of the project cost.

Now, here is the situation: Any State which now reimburses utilities for relocation does so in the amounts of Federal apportionment. This is a proper cost and charge under the present law which reimburses the States making those payments to the utilities up to 50 percent of the cost. This is the existing law. If the States do not want to pay for these utility relocation costs, they may follow such a course under the provisions of section 7 of this bill, which means that we are rewriting the property laws of the various States.

Mr. Chairman, we have heard various people espouse the cause of States rights, yet we deny that principle as affirmatively as it can be written in the English language if we adopt section 7 which would repudiate the principle of States rights.

The State of Alabama, my own State, does not provide for the reimbursement to the utilities because the State acquires the use of the highways for the utilities under a contract. That contract specifically states that in the event of improvements to the highways or to the streets the utility will bear the cost of relocating its properties on the various rights-of-way.

We already have in existing law what is proposed here. If we write in a negative provision, it means every other State now not paying those utilities to relocate their lines will come to the Congress and say: It is a Federal responsibility and the Federal Government should bear the cost up to an amount of almost $960 million.

Now, I believe it would be far better if we would leave the situation as it is now and let the States determine this question in their own State legislatures.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Florida.

Mr. CRAMER. In referring to the language contained in the bill, the section that the gentleman is objecting to, I call attention to page 27, line 12. I am just as concerned about the constitutional provisions protecting the States as anyone. It reads: "If approved by the State highway department." It is then that they may reimburse, and therefore it is permissive on the part of the States.

Mr. JONES of Alabama. But the gentleman knows, and I know, that those States not now being reimbursed for the relocation of utilities are going to come forward on the passage of this bill and insist on the repayment. Not a single highway director in the United States is for this provision, and every one of them when polled by the gentleman from Texas [Mr. GENTRY], wired back and said that they were emphatically opposed to section 7 of the bill. Those are the people down on the State level who are doing all this work, making the plans, the drawings. The scheme of the whole thing is in the States. Now, if you want to complicate the situation, and if you want to put the States at a great disadvantage, with great burdens, then keep in this section 7. It is not restricted just to the interstate roads; it applies to all the roads. It applies to the farm-to-market roads; it applies to the interstate system, the urban and the primary system.

Mr. ALGER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, lest we lose something here by default, I feel it necessary to speak up for those on our side who feel very keenly about this matter. I wish to share in what has been said by the preceding gentleman. I do not believe we should abrogate States' rights in this instance. I would like to call your attention to the additional minority views on page 39. I would also like to mention to you that in our hearings we learned that 15 percent of the interstate highway mileage is considered adequate, and it will not be necessary to move to a new right-of-way. Therefore, as to the utilities on the existing rights-of-way, 85 percent of the highways having to be relocated, those utilities can remain where they are. That is not in the mi-

nority views, and I want you to know that.

I would like to conclude simply by saying let us work this out at the State level where it is being very satisfactorily handled at the present time in view of all of the court of last-resort rulings.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Iowa.

Mr. JENSEN. The Members should understand that the REA power and telephones, the mutual telephone companies, big and little, the sewer systems of the towns, the water systems, and gas lines of the towns, big and little, as well as private utilities are affected very detrimentally if we strike this section from the bill. Private utilities are also owned by millions of people, so we are hurting a lot of people if we strike this section from the bill. This section is fair and right and proper, in my honest, studied opinion.

Mr. ALGER. I respect the gentleman's views, but I disagree.

Mr. DAVIS of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope the Committee will take a reasonable view of this situation. I have in mind a little telephone company in my district which serves a rural section, which makes it possible for a man in time of emergency to call a doctor, or get some kind of assistance. The utility in my own city is publicly owned and it may surprise you to know that of the 27,000 utilities in the United States, 15,000 or them are publicly owned and operated.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to my colleague from Tennessee.

Mr. PRIEST. May I say to the gentleman that he has expressed a view which I hold with reference to this particular proposal. I hope the Committee of the Whole will take a reasonable view of this language. In my own district, just outside of the corporate limits of Nashville, is a small utility water district that has suffered immensely in the last year or two because of the cost to the people of that little utility of moving most of their mains.

I associate myself with the gentleman in hoping that a reasonable view will be taken.

Mr. DAVIS of Tennessee. I thank my colleague.

Utilities affected by section 7 of H. R. 7474 are of all types—private ownership, public ownership, such as cities and towns, and cooperatives. Of the 27,000 utilities in the United States, more than half or 15,000 are publicly owned or cooperative. Of the 3,300 electric utilities nearly 2,900 are operated by muncipalities, REA cooperatives or other public ownership.

Utilities operated by public ownership are nonprofit in nature. Their revenues come solely from rates or taxes. Any increase in their costs of operation must result in higher rates or higher taxes to be paid by citizens who have already paid their share of taxes for Federal-aid highway construction.

Utilities operated by private ownership are regulated by State public service commissions. The earnings of these companies are carefully scrutinized by the commissions and their rates adjusted up or down so as to permit not more than a reasonable return to the owners of the business. If costs increase because of relocating facilities on Federal-aid roads, the utilities will apply for rate increases in order to maintain a reasonable level of earnings. The National Association of Railroad and Utilities Commissioners have appeared before the Public Works Committee on several occasions in behalf of reimbursement of utilities and testified that they are concerned about the necessity of increasing rates to compensate for relocation costs.

Mr. Chairman, many have been insisting that this would abrogate contracts.

It has been contended by opponents of reimbursement that in some instances utilities occupy State roads under solemn, valid, existing contracts in which they agree to relocate their facilities at their own expense. If this is true, section 7 of H. R. 7474 will not affect such contracts because the Constitution and the courts of this land will not permit Congress to abrogate a contract. Both the utilities and their opponents state that State laws generally require utilities to pay for relocation expense. These laws result from the exercise of local police power and were developed in the days when roads were largely a matter of local concern—the so-called horse-and-buggy days when automobiles were just beginning to create traffic problems. The utilities state they are not seeking any change in the law applicable to State roads of the character to which these laws were intended to apply. They seek relief from being required to pay the entire cost of relocating their plant because of the construction of highways built under the Federal-aid road program in the interest of national defense and interstate commerce. The modern limited access, dual-lane road creates problems never contemplated when utilities placed their facilities in highway rights-of-way.

Mr. Chairman, so I plead with you that we take a very reasonable view of this situation because in many of the States it is provided that full costs shall be repaid on relocations. This only permits the Highway Commission to approve a 50-percent cost of relocation and in no case shall it exceed 2 percent of the total cost of the project.

Sometimes it is so easy to talk about utilities, but I repeat that in my own city our own distribution of all the utilities, water, gas, and electricity, is publicly owned. I say to you that in a great many cases little villages which have strained their credit to provide water and all that goes to make a finer community will be penalized to such an extent that in many cases they will not be able to survive, because if they had to spend $8,000 or $10,000 or $25,000 to relocate lines because of this program they simply would not have the money with which to do it.

Mr. SCHERER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my colleague on the committee, the gentleman from Tennessee [Mr. DAVIS], has stated the opposition to this amendment so well that I am not going to repeat what he has said except to say that there is an abundance of testimony before the committee which documents what he has said. I want to read to you the testimony of Mr. C. E. Houck, manager of the Huntington and Centre Telephone Co. in Pennsylvania. His testimony is typical of an abundance of testimony that was heard by the committee.

Mr. Houck represents a very small telephone company, the type of company that the gentleman from Tennessee [Mr. PRIEST] referred to. He pointed out that in a 12-month period his company was forced to borrow $10,000 on two relocation jobs. This does not seem much, but when you consider that this sum of $10,000 represented 30 percent of the total annual revenue of this company, it resulted in the company's being required to make an application for a raise in rates. Mr. Houck said this:

> We cannot continue to absorb these costs over which we have no control. We are afraid that any more will put us out of business since we cannot keep raising our rates.

As the gentleman from Tennessee [Mr. DAVIS] pointed out, reimbursement does not apply only to privately owned utilities but also to the municipally owned utilities. The mayor of Jacksonville, Fla., in his testimony said this:

> We are required to move our utilities and expend the local taxpayers' money in the amount of one million and a half to $2 million, maybe in 1 or 2 budget years, which funds we do not have, and we will have no legal source for making these funds available. Our city is no isolated case.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. JONES of Alabama. Does the gentleman recall whether the gentleman from Jacksonville, Fla., who testified before the committee stated that he had endeavored to obtain legislation in the State legislature that would do the very thing he advocated before our committee?

Mr. SCHERER. I do not recall such testimony. If the gentleman says it is there, I assume it is.

Mr. JONES of Alabama. I asked a question. I do not recall whether inquiry was made along that line.

Mr. SCHERER. The fact is that most people think that utilities are going to bear these costs. We all know that this is an increased-cost item which the various utility-regulating bodies consider when they fix rates.

There is no question but that these increased costs will be passed on to the consumer and not to the utility. Furthermore, we are not doing anything in this bill or in this section which is different from the practice which is followed now and has been followed for many years. We must remember today, and as I say for many years, whenever a State provides reimbursement to a utility for reallocation costs, the Federal Government will match those funds. This section merely codifies existing

practices and existing law. In fact, it goes further and it limits existing practices and existing law because it limits to 2 percent the amount for which reimbursement can be made for each individual project.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. DEMPSEY. Is it not true that a State completely controls whether or not they will participate?

Mr. SCHERER. That is right, and I may say the gentleman from New Mexico [Mr. DEMPSEY] offered the amendment to this section which makes it necessary for the director of the State highways to request or approve this expenditure by the Federal Government. States rights are therefore protected.

Mr. DEMPSEY. No money can be paid unless the respective States themselves make the recommendation.

Mr. SCHERER. No money can be paid unless the State does that. Therefore, no States' rights are infringed upon.

Mr. DEMPSEY. I thank the gentleman.

Mr. SCHERER. It is usually popular to oppose utilities. In the past, as we all know, utilities have been a convenient whipping boy. There have been occasions when utilities, like all organizations and individuals, have required curtailment and chastisement.

Today, however, when one opposes utilities he is usually in opposition, as in this legislation before us, to the vast army of consumers of water, gas, electric, telephone and sewerage services. As we all know, utilities are completely regulated and their rates fixed by various governmental agencies in the several States. Even the money they are allowed to earn is controlled to a great extent by the Public Utility Commission of the State. There is no question but that the costs to be incurred in moving the gas, sewer and water pipes—the electric conduits and telephone poles in the rebuilding of our highways will be passed on to the consumers in increased rates. For this reason the National Association of the 48 State Regulatory Commissions has vigorously supported the principle of reimbursement for the cost of relocation both before the committee and by letter to you.

However, not all utility consumers will bear these costs—only those consumers of companies, big or small, whose facilities happen to be in the way of the rebuilding and widening of highways, or whose plant sits in the center of a cloverleaf intersection. These relocation costs are not for their benefit as utility consumers but are for the benefit of the highway user and the welfare of the country as a whole. These consumers and their companies must also pay their share of the highway improvement costs in user and other taxes. We must keep in mind that relocation costs bear no relation to the utility service provided. They, the consumers, pay twice.

Many small utilities, including municipally owned water companies, will not be able to stand the impact of relocation costs thrust upon them by this unusual extensive and uncontemplated highway rebuilding program. No one ever dreamed of such an extensive and colossal program as is now contemplated when utilities agreed in some States to pay relocation costs incident to normal highway changes. Large cloverleaf intersections, which require radical and costly utility changes, are for the general welfare and the costs should not be borne at the local level and by the consumers in the immediate area.

Now, it is argued that utilities are in the highway right-of-way by sufferance; that they pay nothing for the use of the right-of-way and ought to be grateful for the privilege. Some have inferred that if utilities press their claim for reimbursement in this legislation they might be thrown off the highways. Utilities are in the highways because water, gas, electric, sewerage, and telephone services are as important to the life and very existence of a home—of a community—as are any other commodities that are delivered to the homes of this country over our highways. In fact, particularly in the cities, it would be practically impossible to bring these services to the people except through the street. That is what streets and highways are for.

The fact is that no one pays for the actual use of the public rights-of-way. This use is free. As an example, the coal company which delivers coal to my home has the free use of the right-of-way. No one can stop this company. True it is that the coal company along with others by the payment of certain user taxes provides for the improvement of that right-of-way. That is, they pay for the pavement which is necessary to the operation of the vehicle in order to bring coal to my house.

Now, on the other hand, you may heat your house with gas. The gas company most likely is a private company just like the coal company. Both are businesses to make a profit. The gas company, like the coal company, has and should have the free use of the right-of-way. The coal company, as I have pointed out, helps pay for the pavement which is necessary for the delivery of its product. The gas company pays for its pipe which is its "pavement" for the delivery of its products. If the gas company gets more customers and, as a consequence, must enlarge and replace its pipe, it must pay for it. If in so doing it is necessary to tear up the pavement of the highway it must replace it and bear the costs. Now if the highway becomes inadequate to carry all the coal and other trucks, it must be rebuilt and enlarged. If, in so doing, a gas pipeline must be moved, should not the company be reimbursed for the cost of moving it? It is just as simple as that.

In the Fallon bill a long list of persons and companies who use gasoline, diesel fuel, and tires are exempt from the additional taxes imposed because their particular vehicles derive no direct benefit from the new highways. Why should the utility consumer pay when he receives no benefit as a consumer?

It is further argued that the reimbursement of utilities will interfere with States' rights and contracts. The complete answer to this is that the Constitution clearly would not permit legislation to abrogate valid and subsisting contracts.

We must remember that section 7 does not make the payment of this 50 percent for relocation costs mandatory. We must remember that these 50-percent reimbursement payments are made only when the individual State highway department approves. The practice now is and has been to provide Federal matching funds for those States which now consider utility relocation charges as part of the construction costs. This section codifies existing practices. In fact, it curtails those practices to some extent by limiting to 2 percent the amount that can be paid for relocation costs on each individual project.

For the foregoing reasons, it is my belief that the provision contained in section 7 for reimbursement of utility relocations is fair, equitable, and eminently justified in view of the tremendous impact of the highway program now contemplated. I hope it will be your pleasure to support the provision.

Mr. GENTRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a great amount of information which conveys the wishes of the States or the feelings of the States in this matter, and I request unanimous consent that I be given permission to proceed for an extra 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MASON. Mr. Chairman, I am constrained to object, since I have served notice that I would do so and I am a man of my word.

Mr. GENTRY. Mr. Chairman, just what would this utility provision do? It is designed solely to get a great sum of money for the utilities, money that is badly needed by the Government for highways and many other things. It is to get money that the utilities are not now getting. It seeks to have the States, contrary to their expressed wishes, as was repeatedly testified to before our Committee on Public Works, to violate State laws which have legally been enacted by their legislatures to settle the problem of utility occupancy of public rights-of-way.

Also contrary to the wishes of the States, as was repeatedly and earnestly expressed before our Committee on Public Works, it seeks to have the States break the legal written contracts which they have made with the utilities at the utilities' request—as a result of which, the utilities have saved untold sums of money.

The utilities neither legally nor morally are entitled to 1 cent of money.

More than 99 percent of the money that would be given under this provision would go to companies not only not entitled to it, but companies that do not need it.

Now I have heard a lot said here about some small utility that someone thinks would be unduly burdened by this. Let me say this to you. The highway departments have employees in every county in this Union. If there is a small utility that is unduly burdened by

this program the highway department has the right, if it so desires, to help them. It should be remembered that when the States utilize any rights-of-way owned by the utilities, the utilities are paid in full.

This provision seeks to pay the utilities when they are not occupying their own rights-of-way but the rights-of-way of the States, rights-of-way paid for by taxpayers, paid for by the road user's money. This is affirmative action by Congress to permit the payment to utilities in violation of the utilities' own contracts to readjust their own facilities under these circumstances.

Most of all it should be remembered that this provision in this bill is here at the instance of the utilities; it is sponsored by the utilities; it is the utilities provision with a very big capital "U." This is nothing more nor less than a handout, a raid on a Treasury that can ill afford it.

Mr. Chairman, I now want to read several telegrams I received last Friday, and I ask that particular attention be paid to them, because I believe the Members are all interested. Here is a telegram from the highway department of Ohio:

Ohio State laws permit public utilities to occupy State highway right-of-way. But also require their being moved at no expense to the State if area they occupy is needed for highway construction or reconstruction. We strenuously object to proposal to reimburse utilities in such cases.

Here is one from the State of Utah:

We would earnestly protest the permissive utility provision in the final House draft in that it would concentrate pressure on State highway officials and cause an almost intolerable situation. Regardless of the patent raid on sorely needed highway funds that is being made by the public utilities, we strongly recommend a return to first principles that highway rights-of-way are intended primarily for highway purposes and that the above-named classes of public utilities should pay for any adjustment of plant made necessary by the improvement of the highways.

Here is one from Massachusetts, one of the old States of the Union:

Massachusetts has no agreements with any utilities relative to relocating their facilities when necessary highway improvements require. Such facilities are merely within our highway location by sufferance, and the utilities pay 100 percent of the cost for relocating the same. Massachusetts is strongly opposed to any legislation which would permit paying part or all of the costs for relocating utility facilities out of highway funds, Federal or otherwise.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GENTRY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GENTRY 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 from Texas is recognized for 5 minutes in support of his motion.

Mr. GENTRY. Mr. Chairman, here is a telegram from the State of California, and I want you to listen especially to this one:

Great bulk California's utility problems are being resolved under terms master agreements with utility companies made possible by legislation 1951—section 707.5 California streets, highways code.

If Congress should include provision highway act payment to utilities out of highway funds it would destroy entire legal background and repudiate utility's contractual obligations thereby diverting million dollars from California's needed highway construction.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. GENTRY. I do not yield.

Mr. GROSS. Is that from the California highway commissioner?

Mr. GENTRY. And he is the president of the State Association of Highway Officials.

Experience in developing present working agreements leaves no room for dought that situation would be practically hopeless if necessary reconcile existing laws and agreements and proposed Federal provision. I cannot too strongly recommend that this matter of utility payments be kept at State level.

Here is one from West Virginia:

State Road Commission of West Virginia does have written agreement with utilities providing for removal and relocation of utility facilities at the cost of the utility when required for road improvement. We also have a statute requiring utility to pay such cost and all court decisions of this State and opinions of our attorney general require that utility pay entire cost of relocation when they are within our right-of-way. Feel that proposal in Congress to pay utility out of highway funds in controvention of written agreements. Statute and court decisions would place undue hardship upon the highway program of West Virginia and would minimize benefit of any Federal aid we would receive.

Here is one from the State of Washington:

All utility facilities, public or private, located upon highway right-of-way are covered by written agreements which require their removal or relocation at holders' expense, when right-of-way is needed for highway construction or reconstruction purposes. State of Washington statutes require agreement holders to remove or relocate facilities upon highway right-of-way when so notified by director of highways at agreement holders' expense. We oppose the provision in the House Public Works Committee highway bill to reimburse the utilities for 50 percent of the utilities cost of relocating facilities from Federal funds and urge Congress to strike this provision from the highway bill.

Here is a telegram from the State of South Dakota:

Statutory provisions in South Dakota require utilities to obtain a permit to use right-of-way and on 90 days' notice they are required to move facilities at their own expense. I am very much opposed to utility-payment provisions in proposed Federal highway legislation.

Here is a telegram from one of the great States of this Union, the State of Pennsylvania:

In Pennsylvania if utilities are located on public right-of-way they must relocate their facilities at their own sole cost and expense. If utilities are located on private right-of-way Commonwealth reimburses for cost of relocation. By law utilities are authorized to locate facilities within the limits of a highway where feasible. Pennsylvania Constitution prohibits use of motor-license funds (Pennsylvania highway maintenance and construction funds) for cost of relocating utility facilities located on public highways. Department of Highways of Commonwealth of Pennsylvania is opposed to any provisions which may provide for payment to utilities to alter or adjust lines existing on public thoroughfares.

Here is one from Oklahoma:

Oklahoma statutes provide utility lines may occupy public right-of-way but must move when requested by the State at their own expense. Our highway commission in special session yesterday unanimously adopted the following: "Oklahoma State Highway Commission in meeting this date unanimous in request that the permissive utility provision in the final draft of highway bill be deleted." Oklahoma Congressmen advised of commission action yesterday.

Here is one from the State of North Carolina:

This commission acting under State law has agreements with utilities by which they agree to readjust and relocate their facilities to permit needed highway improvement in consideration of using highway rights-of-way. This commission is very much opposed to the provision of the proposed highway act providing for reimbursement to utilities for moving their facilities where they are on highway rights-of-way.

Here is one from the State of New York:

State department public works requires written permit for all public utilities within State highway rights-of-way. All permits revocable. Permit form includes provision that installation must be relocated as directed by superintendent at expense of permittee if future highway work is affected. New York State opposes payment to utilities.

Mr. Chairman, I have similar telegrams from all 48 States of the Union.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Texas.

Mr. Chairman, we just heard the gentleman from Texas say that all 52 States are opposed to this provision. I did not know that we had that many States. I thought we only had 48.

In relation to his statement about the States, he should have emphasized that he was talking about the State highway departments. There is a considerable amount of doubt as to how the States stand on this amendment. I think you could make just as strong a claim that all 48 States favor the provision in the bill. The Association of Railroad and Public Utility Commissioners of the United States, representing 48 regulatory bodies, is on record in favor of the provision.

I would like to call attention to emphasize the situation that in my own State the highway commission favors this amendment, but the public service commission strongly opposes the amendment. The public service commission has to wrestle with this problem of utilities having to readjust the rates, because they have to recapitalize upon occasion when some of these relocation costs come to them in unexpected fashion, and these costs can come under this $32 billion program that we are about to pass. The chairman of the Mississippi Public Service Commission says that he

favors the reimbursement relocation cost provision of the Federal highway bill. There is no question about the stand involved there.

There has been a lot of talk about the abrogation of contracts involved in this legislation. The Constitution still prevails above any type of legislation which we pass. The Constitution provides that contracts shall be honored.

Even though the Supreme Court has done a lot of things recently that we do not approve of, but they have not gone so far as to allow Congress to abrogate any valid contract, and no valid contract will be abrogated by this legislation. We are attempting in this legislation, with very severe limitations placed in it, to allow some of this great cost that will come to ease the burden upon any type of utility system. It is not a question of need; it is a question of justice.

The cost involved can, upon occasion, for a small general utility system, be so great that the entire system would have to be recapitalized and a new amortization base placed upon its services and its entire facilities. The amendment adopted in our bill would provide that no more than 2 percent of the cost of the project could be paid under these conditions, and under most conditions the cost would not be 2 percent, especially in regard to the small utilities for which we express concern.

The gentleman from Texas has read letters and a lot of other things about this provision. He compared these relocation costs with the situation in regard to private property on the question of relocation. When a man's private property is destroyed as a result of relocation, he is paid in full for that damage and not just 50 percent. These relocation agreements that have been made by utilities in regard to the existing highway rights-of-way did not take into consideration the type of program that would be in effect now in regard to this interstate system that will require such a large amount of new relocation.

This is not a matter of favor to the utilities. I think the record is very clear in regard to our past performance in the House of Representatives who have been the friends of the private utilities. This is the first time I have ever noticed the gentleman from Texas being on the opposite side of any private utility.

This is a matter of justice in regard to how any utility, whether it be the biggest corporation in the country or the smallest small-town utility in the United States, will be treated fairly in regard to this matter. Actually we are trying to decide here whether the utility rate payers will be the ones who will have to bear part of the cost of this highway program or whether we will accept the fact that this relocation matter is just another part of the cost, and we should keep it down within the severe limitations imposed in the bill so that the cost in regard to new relocation will be considered.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Texas.

The motion was rejected.

Mr. MACHROWICZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, much has been said here yesterday and today, about this section dealing with the relocation of utilities, which would probably make it look to some that this was an unethical or unfair provision. May I assure you that that is positively not the case.

In the first place let me explain just what this provision says. It provides that payments can be made under this section of not more than one-half of the cost of relocating their facilities and in no event can the payment exceed 2 percent of the cost of the highway project which necessitates the relocation.

The gentleman from Texas has said that 48—or even 52 States, 4 States which have not yet joined the Union—are in opposition to this provision. May I say this, that I think he would be more correct if he would say that the 48 highway commissioners of the States are in opposition to the amendment. And I am not surprised that they are.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman.

Mr. SCHERER. Does any State that does not want its utilities reimbursed have to take this money?

Mr. MACHROWICZ. No, of course not.

Mr. SCHERER. If the State does not agree, the utilities do not get it?

Mr. MACHROWICZ. Absolutely. May I say this: The highway commissioners are there to build roads. That is their primary duty. The railroad and the public-utilities commissioners are there to protect the interests of the rate payers. In practically all of the 48 States, as far as I know, there are none which have not approved the provision which is in this bill.

May I read a letter from the committee on legislation of the National Association of Railroad and Utilities Commissioners:

> Whether these utilities are publicly or privately owned, the absence of reimbursement will mean that the rate payer—the user of the service—will be forced to pay for the relocation. If the user is thus overlooked, he will be paying twice for highways, once in taxes and again in utility rates. In addition, the burden will fall unevenly on those rate payers who by accident of location are in the path of proposed highways. Others deriving approximately the same benefit from such highways will escape the burden entirely.
>
> The statement has been made that a provision for reimbursement would abrogate existing contracts between utility services and States in which they operate. Such an opinion cannot be supported, for the Constitution would not permit legislation to abrogate existing contracts. Furthermore, in view of the expanded highway program and changes in design and construction of highways, it would be highly inappropriate and inequitable to use arrangements made with States in the past, which were designed to meet entirely different conditions, as a bar to protection against this new and unlooked-for burden. The proposed legislation means simply that the Federal Government will recognize its obligation to pay a portion of the expense of relocation which it creates.

As has already been said, there are more than 27,000 utilities in this country, and more than 15,000 of them are either publicly owned or REA corporations. They are the ones that will be affected by this provision.

Nearly every family uses one or more utility services. Unless there is reimbursement, these users of utility services must contribute twice to Federal-aid highways—once in taxes and again in the rates paid for utility services.

There are over 27,000 utilities in the United States providing the services of water, electricity, gas, sewers, telephone, telegraph, and local transportation. In an average year only a small portion of these 27,000 utilities—and hence the users of these services—are affected by Federal-aid highways. The study conducted by the Secretary of Commerce, pursuant to Section 11 of the Federal-Aid Highway Act of 1954, showed that approximately 700 utilities, less than 3 percent, paid relocation costs of $24 million. Thus, the users of utility services furnished by 700 companies were required to contribute $24 million to Federal-aid highway construction which benefits all of the highway users of the country.

This is a matter we want to correct in this legislation.

Mr. Chairman, I believe that in the interest not of the utilities but of the utility users it is essential that this section be retained in the bill. This section differs from that which has been approved in the other body.

Mr. KLUCZYNSKI. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Illinois.

Mr. KLUCZYNSKI. I want to compliment the gentleman on his wonderful statement. I agree with it in every respect.

Mr. POAGE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I had hoped that I might find it possible to restrain my feelings and not to impose on your time in connection with this bill, but after hearing so many people get up here and bemoan the fate of the little REA cooperatives and the little rural telephone operations and the little, small towns, so many people from the big cities bemoaning what is happening to these little people in the rural areas, I felt I should express a contrary view.

I think this House knows I have been interested in REA for a long time. I believe this House will give me credit for having some interest in the rural telephone bill. I was the author of that bill here in the House and I want to see it succeed. I would not want this program to destroy it. I am sure the Members who have spoken are also interested in this program, but I do regret seeing those worthwhile institutions used as a cat's-paw to try to rake in a billion dollars for the big public utilities.

Everybody here knows that this proposal did not originate with any REA cooperative. It did not originate with any villages over this country; it did not originate with any rural people in this country.

I have been surprised to find so much sympathy poured out here by people, some of whom have been active in behalf of the REA, and some of whom have never expressed any interest in the world

in these little cooperatives, in these little people, heretofore. I commend the gentleman from Mississippi, who is about to rise, because he did not put it on that basis. I also recognize that the gentleman from Tennessee [Mr. DAVIS] represents a distinctly public-power area, and his position very correctly reflects the wishes and the desires of his people, but I am sure we have all noted the unusual enthusiasm with which these little cooperatives have been befriended this afternoon.

I wonder why we do not hear the same kind of sympathy expressed for the little man who is running a one-horse filling station out on some of these roads. He is going to find himself without any means of support when we move 85 percent of these highways away from him. But I did not hear a word about that man. I have not heard any sympathy for him.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Alabama, who so ably offered this amendment.

Mr. JONES of Alabama. The utilities that now occupy the rights-of-way do not pay any money to the States or local political subdivisions for the use of those utilities, so you are putting the Federal Government in the business of buying something that they do not want.

Mr. POAGE. That is right. We are putting the Federal Government into the business of destroying the 48 States of this Union and all of their rights. We are putting the Federal Government in the business of subsidizing a bunch of big utilities that do not need this subsidization. We are putting the Federal Government in the business for all practical purposes of forcing the abrogation of contracts which several Members have assured us that the Supreme Court would defend. We are putting the Federal Government in the business of taking care of a group of people who can well take care of themselves and of utterly ignoring a group of people who cannot take care of themselves. If you believe in State's rights; if you believe in fair play, you should vote for the Jones amenment.

I call attention to a further thing you are doing in this bill. With one breath we are crying out about these little utilities and about these little REA lines out in the rural area, up in the forks of the creeks, and which we are told are in such bad shape that we must take care of them and just incidently of the big utilities. In the next breath we are by this bill taking a 2-cent-a-gallon gasoline tax that was levied for general revenue, as a war measure and therefore was made to apply to everybody; we are by this bill transferring it to a highway tax for the specific purpose of building highways, and we are levying it upon the motive power of agriculture, for the sole purpose of highway construction.

You might just as well levy a tax on the coal that the Consolidated Edison burns to make the power for New York City. You might just as well levy a tax on the coal that runs the United States Steel plants because it produces power. Gasoline and diesel fuel produces 98 percent of all the power that agriculture uses and yet you propose to tax the motive power of a great industry and to give no refunds on two-thirds of the road tax we propose to collect—not 1 penny refund on that 2 cents that we now have for general revenue purposes which we are making into a special highway tax. I would like to see some of the concern that is being heaped on these little REA cooperatives expressed for the farmers who make up those cooperatives—the farmers who must under this bill pay such an unfair share of the cost of superhighway construction.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 15 minutes.

Mr. GROSS. Mr. Chairman, reserving the right to object, the members of the committee have had 99.9 percent of all the time that has been spent on the floor on this bill. Does not the gentleman think that there are, perhaps, 2 or 3 or 4 other Members who might like to have just a minute or 2 or 3 or 4 to speak on this bill?

Mr. FALLON. I was just trying to arrive at a time to limit debate on this amendment only. Of course, we do not want to cut anyone off from speaking on the bill.

Mr. GROSS. But the gentleman suggested only 15 minutes.

The CHAIRMAN. The regular order has been demanded.

Is there objection to the request of the gentleman from Maryland [Mr. FALLON] that all debate on the pending amendment close in 15 minutes?

Mr. GROSS and Mr. JONES of Missouri objected.

Mr. FALLON. Mr. Chairman, I move that all debate on this amendment close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Texas [Mr. DIES].

Mr. MASON. Mr. Chairman, I have served notice that there will be no yielding of time to another Member. Therefore, I have to object, much as I hate to.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. HULL].

Mr. HULL. Mr. Chairman, I rise in support of the Jones amendment. I would like to read a few telegrams that have been received. Here is one from Madison, Wis.:

All permits to utility companies to use right-of-way are subject to approval by the highway commission and are subject to the provision that the transmission line shall if necessary be altered at the expense of the applicant to permit alteration, improvement, or maintenance of the highway as may be ordered pursuant to law.

Highway commission of Wisconsin is categorically opposed to proposed provision in Federal Highway Acts which would require or permit utilization of Federal-aid highway funds to reimburse utility for alterations required in transmission lines occupying existing public highway right-of-way.

That is from the State highway commission of Wisconsin. Here is one from Topeka, Kans.:

Kansas is hopeful that the Congress will not pass utility legislation proposed in highway bills. This would conflict with States rights and use funds badly needed for highway construction.

Here is one from Louisiana:

We vigorously oppose use of highway funds to reimburse utility companies for relocation or adjustment of utility lines occupying highway rights-of-way.

Here is one from Florida:

Retel State Road Department of Florida requires written agreement with utilities by which they agree to relocate or adjust at their expense in consideration use of right-of-way. We do not feel Congress would include provision in Highway Act to permit payment to utilities in contravention of this policy.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I yield my time to the expediency of those who are cramming this bill through the House.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I represent, among other constituents, the city of Jacksonville, Fla., which owns most of the city utilities, electric, water, and other utilities in the area.

Recently a Federal highway was put through the city of Jacksonville, which illustrates the need for some sort of consideration for public utilities when moved for the convenience of the Federal highway program, because it cost the city a large sum which it has to pass on to its utility users.

Today nearly all, if not all, utilities are heavily regulated, so it is a question of the utility passing the cost on to the users. Mind you, this means passing on to utility users a cost which is of no benefit to them but which is properly and logically a highway expenditure.

Now, if the utility has agreed to assume the cost of its relocations when disturbed by highway relocation, then I think it should abide by such a contract; and I do not believe this legislation would interfere with that contractual and moral obligation. But if there is some defect in the legislation along that line—and I do not think there is—I think it can be corrected in conference between the House and Senate. I sincerely hope that this House will show that it realizes the moral obligation to make some reasonable provision for utilities relocation instead of placing the burden on the small utility user who has no benefit from the relocation.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, I wish to call the attention of the House to the fact that the gentleman from Texas, who used 10 minutes on this question a short while ago, is one of the eminent authorities in the House as far as highway departments, occupational procedure, and so forth, is concerned.

The gentleman from Texas [Mr. GENTRY] is a former director of the Texas Highway Department. He is also a former national president of the State highway officials organization. So, when the gentleman from Texas [Mr. GENTRY] makes a statement as far as it relates to operational procedures, as far as it relates to highway departments and public utility rights, or as it relates to any type of services concerned with highways, you are listening to an expert on the subject, and probably the greatest authority on the subject in the House as it is now constituted.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, this is just another place where the clever utility lawyers have shown their fine hand in drafting legislation. I know there are members of the committee who agreed for this to appear in there that just took it at its face value rather than to go to the trouble of reading some of the fine print. Actually, the more I read it the worse it gets.

Like the gentleman from Texas, I have had some experience with a State highway commission. I was chairman of the Missouri State Highway Commission for 3 years. I dealt with these utilities. We do not pay anything there in Missouri. Here is the catch in this bill, however. It involves States that have heretofore not paid anything because it says "may be paid from Federal funds whenever, under the laws of the State where the project is being constructed, the entire relocation cost is required to be borne by the utility."

Even in the States that did not want to pay out the money, you are making it possible through this for the Federal Government to pay half in a windfall to the utilities.

If we are going to build highways, let us build highways; let us not take tax money to fatten up anyone.

Another thing, you will find on reading this section where States can reimburse up to 50 percent using only Federal money, according to the way this is written, which would make it more conducive to reach into the Federal Treasury to enrich the utilities.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, I urge adoption of the amendment offered by the gentleman from Alabama [Mr. JONES]. As has been so well stated by my colleague, the gentleman from Texas [Mr. GENTRY], the proposal to reimburse utilities for the removal of equipment from rights-of-way should be left to the States.

The program which has heretofore existed providing for Federal aid for highway construction has proved successful as a partnership between the Federal Government and the States. It seems to me that any program we might enact here today should leave to the States as many of the required decisions as is possible, with the Federal Government setting only high standards for construction.

To insist on the provision which this amendment seeks to strike out not only results in an increased cost of construction, but goes toward the removal of a right which the States have always exercised in the past.

The following communication from the members of the State highway commission and the State highway engineer of the State of Texas so well point out that this proposal, together with the proposal that makes the program subject to the provisions of the Davis-Bacon Act, are unnecessary and constitute an invasion of the rights of the several States by imposing Federal authority over State laws on these subjects:

TEXAS HIGHWAY DEPARTMENT,
Austin, Tex., July 18, 1955.

HON. HOMER THORNBERRY,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN THORNBERRY: In view of the fact that the House of Representatives will soon make its decision toward providing a solution of the acute highway problem confronting the Nation, we feel that we should direct your attention to two proposals presently embodied in pending legislation and which, in our opinion, should be deleted therefrom.

These proposals deal with reimbursement to utilities and the requirement that the construction of Federal-aid highways be subject to the provisions of the Davis-Bacon Act. These proposals will result in increased cost of construction, are unnecessary, and constitute a direct invasion of the rights of the several States by superimposing Federal authority over State laws on these subjects.

We, therefore, respectfully urge that you use your best efforts to delete these two proposals from pending legislation so that the full amount of Federal aid provided by the Congress can and will go into badly needed improvement of the Nation's highway system, and that the existing and successful partnership between the States and the Federal Government, under which the highway system of the Nation has been developed, will be preserved.

Sincerely,
E. H. THORNTON, Jr.,
Chairman, State Highway Commission.
MARSHALL FORMBY,
Member, State Highway Commission.
HERBERT C. PETRY, Jr.,
Member, State Highway Commission.
D. C. GREER,
State Highway Engineer.

PLAINVIEW, TEX., *July 20 1955.*

Congressman HOMER THORNBERRY, of Texas,
Washington, D. C.:

In highway bill under consideration we hope you can remove the Bacon-Davis labor requirement section and hope you can eliminate the unjust provision which would force Texas to pay utility companies for moving poles from our rights-of-way which utility companies are already using free of charge will appreciate your help in eliminating these two provisions of highway bill. Kindest regards.

MARSHALL FORMBY,
Member, Texas Highway Commission.

Mr. Chairman, I hope that the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Alabama [Mr. JONES].

I want to quote from a letter I received from the director of the department of highways, State of Ohio, Mr. S. O. Linzell, in which he says:

Utilities are on public highways in Ohio by permit, agreeing when given the permit to conform to highway improvements without cost to the State or its subdivisions. The Federal act, in substance, thus voids contracts between the State or its subdivisions and the utilities.

It is bad policy to have national laws at variance with State laws on the subject.

Utilities are a burden on the highways, are there without a rental charge and create hazards not there except through the permit.

A utility should have no vested right by sufferance that any other property owner should not have.

We now pay utilities to move when a relocation of our highway causes changes when they are on a private right-of-way. Most of the interstate highway work, whether rural or urban, will be on relocation, and utilities will be paid for relocating their facilities, while in the normal type improvement, on ordinary State work, the State would be loaded, ultimately, with costs for which there is no legal obligation.

It is useless to argue that the expenditure is permissive, because once the Federal Government gives its blessing to the principle of reimbursement, the States will be forced by pressure tactics to do the same and justification will be based on the Federal action.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, I would like to ask the members of this committee how and why the public utilities are on the highway rights-of-way? They are there because they could put the facilities on the right-of-way without paying anything for that right-of-way. The highway department keeps the weeds and grass mowed, keeps the brush cut, maintains the right-of-way, and if they do not appreciate that, let them move out some place else and buy a right-of-way of their own, and then they will not be required to move off of it. I think we ought to leave things exactly as they are. I am in favor of the amendment offered by the gentleman from Alabama and shall so vote, and I think if we have the interests of the rank and file of our constituents at heart and are not afraid of the giant lobbies that infest this town, we will support the gentleman's amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, in making the awards to the States for highway construction, the money is given to the States and it is up to the States to make a decision whether or not they will approve in the contract the cost of relocation. If they do not approve it at the State level, the matter can never reach the Bureau of Public Roads here, because the Bureau of Public Roads does not do business with anybody under the basic law except the States themselves.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. FALLON] has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. JONES].

The question was taken; and on a division (demanded by Mr. MACHROWICZ) there were—ayes 125, noes 75.

So the amendment was agreed to.

Mr. CLARK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLARK: On page 27, line 20, strike out "1957" and insert "1956."

Mr. CLARK. Mr. Chairman, this amendment simply moves up 1 year the report to Congress by the Secretary of Commerce. The Bureau of Public Roads are in agreement with this amendment. I hope it will be agreed to.

Mr. FALLON. Mr. Chairman, I rise to say that I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CLARK].

The amendment was agreed to.

Mr. HALLECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: Page 8, after line 6 insert:

"SEC. 2 (G) (a) There is hereby created, subject to the direction and supervision of the President, a body corporate to be known as the Interstate and Defense Highway Finance Corporation. The Corporation shall be subject to the provisions of the Government Corporation Control Act.

"(b) The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the Board) composed of 4 members. One of these members shall be a full-time public member appointed by the President, by and with the consent of the Senate, without regard to political party affiliation, and the President shall designate such full-time public member as Chairman of the Board. The 3 remaining members shall be the Secretary of Commerce (hereinafter called 'Secretary'), the Secretary of the Treasury, and the Secretary of Defense, or their representatives. The Commissioner of Public Roads shall serve as executive secretary of the Board.

"(c) It shall be the duty of the Corporation (a) to receive and borrow funds, (b) to provide and make available to the Secretary such sums as are necessary to permit him to make the payments or advances to the States, through the established channels of the Bureau of Public Roads of the Federal share of the cost of construction of projects on the Interstate System, and such other costs or expenses as are permitted or required to be paid or advanced by him in connection with the Interstate System under the terms of this act, and (c) to perform such other duties as may be required in the performance of its functions and the exercise of its powers under this act

"(d) The Corporation is authorized to issue, upon the approval of the Secretary of the Treasury, obligations in an amount not to exceed $15 billion. Obligations issued under this subsection shall have such maturities, not to exceed 20 years, and shall bear such rate or rates of interest, as may be determined by the Corporation with the approval of the Secretary of the Treasury, and they shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations.

"(e) The Corporation shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that the obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Corporation. The Corporation is authorized to purchase in open market for retirement, at any time and at any price, any outstanding obligations issued under this subsection."

Mr. JONES of Alabama. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill H. R. 7474, that it contains a reclassification act and is a violation of the Reroganization Act, giving jurisdiction to the Committee on Post Office and Civil Service for the classification of employees.

Mr. HALLECK. I wonder if the gentleman would withhold his point of order until I can have 5 minutes to explain the amendment. Then we can dispose of the point of order.

Mr. JONES of Alabama. I will be glad to reserve my point of order, Mr. Chairman.

Mr. HALLECK. I thank the gentleman.

Mr. Chairman, of course, it is very obvious that we all think we need highways and we do not need them. By and large there have been two approaches. It has been pretty much all black and all white. One approach is that of the Eisenhower administration, the Clay Commission, covered in the substitute offered by the gentleman from Michigan [Mr. DONDERO], which would provide for the creation of a governmental corporation and the issuance of bonds. The Fallon bill, which is the committeee bill, would not have any provision for corporate bonds, but would simply raise taxes to build the roads.

We had a very close vote on the Dondero substitute, and because there were 5, 6, or 7 votes difference between the 2, that evidences that we need highways, we want a highway bill, but it also evidences to me a very reasonable probability that we may wind up here without any highway bill at all. And I want a highway bill. To accomplish that, means some give and take.

May I say I offer this in all seriousness, and I hope you will understand just what the amendment does. I say I want to pass the highway bill. What does this amendment provide for? It retains the tax features of the Fallon bill. They are protected by the rule which was granted, and no one complains about that. So the taxes are left in the bill. But it also is in line with the language contained in the Fallon bill on page 9 in these words that—

It is the intent of Congress that, in addition to revenues presently available for such purposes, such increased revenues provided for in this act shall be devoted to the highway program herein authorized.

What this would do would simply be to add into this bill retaining the tax features a provision for the creation of the governmental corporation and the power to issue bonds. The amendment shortens the period of the bonds to 20 years. Personally I think that could be further reduced if this amendment is adopted. It reduces the amount to $15 billion.

What would happen if it goes to conference and these two matters are fused, I say to my friends on the right, if you want a highway bill? It would simply mean that the very considerable tax burden that is provided in the Fallon bill could be reduced. Then by resorting to the corporation bond feature, you could shorten the period on the bonds and hence reduce the interest that must ultimately be paid on the bonds, and thus bring about the construction of an accelerated highway program without too heavy a burden on the taxpayer and at the same time there would not be any degree of irresponsibility whatsoever.

The only argument I have heard against the bond proposal, and the only substantial argument was that there would be too much interest over this long period of time. Here is a way to shorten the period of time that the bonds would be outstanding. It is even provided that the bonds could be called in earlier. The term on the bonds and the interest to be paid would be governed as we might come out of the conference on this bill to the degree that the taxes will support them.

In other words, to my mind, it is a fair compromise. It is a solution that many have talked about as we have continued during recent months to try to work out a program. In my considered judgment, if this amendment should be adopted, it would assure the passage of a highway bill—a decent, equitable highway bill that would keep the doors open if we go into conference for the enactment of a sound, forward-looking highway bill that would do the job that needs to be done in the country. If this amendment is not adopted, I am convinced the Fallon bill will be overwhelmingly defeated. If it is adopted, I can support the bill. Others will support the bill and it can be passed and out of conference will come a good compromise bill.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. DONDERO. Exactly that proposal was made by me in the subcommittee of 9 which was appointed by our committee to see if we could work out a compromise and the idea was adopted by a vote of 6 to 3, but was later rejected by the full committee.

Mr. HALLECK. That is my understanding of what happened in the committee. This sort of approach at one time was very definitely suggested and approved. I still think it is a good proposal. It incorporates a measure of the President's program and of the Clay Commission's program, and it will make possible, as this measure goes through the legislative procedure, to work out a bill that can become law and will become law.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. SMITH of Mississippi. I would like to make clear that the gentleman from Michigan is in error as to what was approved by the subcommittee. I was one of the members of the subcommittee. What the subcommittee approved had to do with Treasury bonds and no idea having to do with corporation bonds was approved by that subcommittee.

Mr. HALLECK. Of course, I was not at the committee meeting, but I have understood not only from the gentleman from Michigan but from others that this

approach was presented there and approved.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, may I be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, as I read from the bill, there is language there which provides for the application of any increased revenues or any revenues to the highway program. In addition to that, the rule specifically made in order the Dondero substitute. The amendment which I have offered is a part of the Dondero substitute. It is not the entire substitute, but it is a part of it. So far as it goes, it is completely in line with the Dondero substitute. So it is my conviction since the Dondero substitute was made in order under the rule, this, in turn, would be in order as an amendment.

Mr. JONES of Alabama. Mr. Chairman, I renew the point of order I made against the amendment offered by the gentleman from Indiana [Mr. HALLECK]. The gentleman from Indiana [Mr. HALLECK] points out that the rule made the Dondero bill in order. Now the Dondero bill was specifically defeated, and this is nothing more than the Dondero bill with a new name on it. I also, submit, Mr. Chairman, that it violates the Classification Act of 1949, as amended, and that the amendment is repetitious in that it repeats the proposal contained in the Dondero bill, which the committee has already disposed of.

Mr. HALLECK. If I might be heard further——

The CHAIRMAN. The Chair will be glad to indulge the gentleman.

Mr. HALLECK. I do not know of any provision in this amendment that would be contrary in any way to any provision of the Classification Act.

I must say, Mr. Chairman, I am sorry the point of order has been made. It should not have been made. I hope it will not be sustained, but should it be sustained it will strike down an attempt to get a highway bill that would be in the best interests of the country. I am afraid it will kill highway legislation for this session. That I am seeking to avoid.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Indiana offers an amendment which has for its purpose the creation of a body corporate, vesting in that corporation certain powers. After laying down the requirements for membership, it charges the corporation with certain duties, grants to it certain authority, including that of the issuance of obligations and providing for the issuance of those obligations.

While it is true that a somewhat similar provision appeared in the amendment offered by the gentleman from Michigan [Mr. DONDERO], the Chair must point out that the rule under which the pending bill is considered made in order that amendment and waived all points of order to it.

It is, therefore, the opinion of the Chair that the amendment offered by the gentleman from Indiana, seeking as it does to create an entirely different body, a body corporate, is not germane to the provisions of the pending bill.

The Chair, therefore, sustains the point of order.

Mr. GROSS. Mr. Chairman, I make a point of order against the language in section 14 (a), page 30, lines 20 to 25, and page 31, lines 1 to 3; reading as follows:

SEC. 14. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place 2 positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

I make the point of order that this language is a violation of the Classification Act of 1949, that it is an invasion of the prerogatives of the Post Office and Civil Service Committee, and is not germane to the bill.

The CHAIRMAN. The Chair is prepared to rule.

The Chair will state to the gentleman from Iowa that since the provisions to which his point of order is directed are provisions in the bill that has been reported from the standing committee, the point of order is not well taken at this time.

The Chair overrules the point of order.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. At what time would the point of order be well taken?

The CHAIRMAN. The Chair would say to the gentleman from Iowa that in the opinion of the Chair the point of order would not be well taken at any time, inasmuch as the provisions to which the point of order is directed are contained in the bill as introduced and reported.

Mr. WILSON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILSON of Indiana:

On page 32, following line 7, add a new section 19:

"No funds collected under this act may be available to any State, city, or subdivision in which segregation is practiced in restaurants, restrooms, or in road construction."

And in line 8, after the word "SEC." strike out "19" and insert in lieu thereof "20."

Mr. JONES of Alabama. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane.

Mr. Chairman, I reserve the point of order to permit the gentleman to make his statement.

The CHAIRMAN. The gentleman from Indiana is recognized for 5 minutes in support of his amendment.

Mr. WILSON of Indiana. Mr. Chairman, there is no question in my mind, and I doubt if there is in the mind of anyone else, that this amendment is as germane as any amendment that has been offered. It certainly is in keeping with some of the practices that have been going on here, and also in keeping with the wishes of our own United States Supreme Court.

The Court has ruled against segregation. Here we are authorizing this great appropriation, under which we are going to spend billions of dollars in every State in the Union. Yet, there are some States in which the Negroes are not going to have a chance to work and earn part of this money to pay the taxes to build the highways, to earn money to pay the excise taxes on their trucks, to earn money to pay the extra cost of their tires.

Why should we not clear this situation up in the States which have not yet recognized nonsegregation and give these people a break? I think these Negroes should be given the opportunity to help build the highways because they are going to help to pay the taxes. I think they should be able to use the facilities, the restaurants, and the comfort stations, and so forth, that appear along the highways.

Mr. JONES of Alabama. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The gentleman from Indiana offers an amendment to provide for a limitation on the funds collected under the pending bill, to which the gentleman from Alabama [Mr. JONES] makes a point of order.

It is the opinion of the Chair that since the amendment refers to and touches upon the funds collected under this act, limiting their use, the amendment is germane; therefore, the Chair overrules the point of order.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana [Mr. WILSON].

Mr. Chairman, I hope the committee will thoroughly understand this amendment and vote it down.

Mr. BOGGS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to commend the Public Works Committee and the members thereof on both sides of the aisle for the work they have done on this bill. I do not know whether the bill is going to be passed or defeated, but may I say that I had the privilege of sitting in with the committee as chairman of a subcommittee which was appointed at the request of the gentleman from Maryland [Mr. FALLON] and upon the direction of the chairman of the Committee on Ways and Means [Mr. COOPER].

I would like to commend both the Democratic and the Republican members of this committee for working many months and many weeks, night and day, on a bill which is certainly vital to the economy of this Nation and to the growth and expansion of our country. Naturally no measure of such tremendous implications could be noncontroversial, but I believe that the members of the Public Works Committee approached their task with an objective spirit, largely nonpartisan, with the idea of working out the best possible legislation to continue to build up our country.

May I say further in connection with the revenue features of the bill that, as I understand the rules of the House of Representatives, the Speaker has the

power to make the assignment of bills to the respective committees. Our great Speaker in his wisdom sent this bill containing section 4 to the Public Works Committee under the able chairmanship of the gentleman from Maryland [Mr. FALLON]. Mr. FALLON certainly had a provision that he was not seeking and I found out one thing sitting there as an observer that I doubt if there is a single member of the Public Works Committee who will ever be a candidate for membership on the Ways and Means Committee of the House of Representatives. I suspect that members of that committee have discovered that it is a lot harder to pay for these projects than it is to vote them. I am not so sure but what it was not a pretty good experience for the members of that committee and I suggest that some times certain of these other tax measures be referred to other legislative committees in the Congress. All of us will find out that those of us who have the task of serving on the Ways and Means Committee, who have been given the normal responsibility of raising these enormous sums, have a job equally onerous almost every day in the year.

I think that the chairman has done a fine job as have all the members of the committee, majority and minority, and I believe that the House should show its confidence in the Public Works Committee.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to the Fallon bill for the reason that it means another increase in taxes for the people of this country. Earlier this afternoon, under unanimous consent, a bill was passed in the House to take the excise tax off motorcycles. Is it proposed to take the tax off one product and then vote here this afternoon to increase the same kind of taxes on other products? Incidentally, the Ways and Means Committee, which is responsible for so-called reciprocal trade agreement legislation, asked that the tax be eliminated. Why is the excise tax being taken off motorcycles? Because of taxes and British imports of motorcycles into this country under the free trade policy. The industry is being killed. There is such a thing as saturating motor vehicle owners here in the United States with taxes.

All of us recognize the need for better roads and we can have far better roads if all the money collected by the Federal Government from taxes in connection with the operation of motor vehicles is dedicated to the construction of roads. Instead and inexcusably some of these funds, millions of dollars each year, go into the general funds of the Treasury and may be used to build roads in the Belgian Congo through the foreign handout program.

Neither a huge bond issue, upon which billions of dollars of interest will be paid, nor increased taxes upon the owners of motor vehicles, already heavily taxed, is the answer. In concert with the States, and with the dedication of revenue from all presently levied Federal taxes, an adequate system of roads can be built. Moreover, this program ought to include more than interstate superhighways. Those who use superhighways only infrequently yet pay their share of the fuel and other taxes are entitled to at least some consideration.

And there is no more reason why a farmer should pay a tax on fuel used to generate tractor power than there would be for a tax levied upon coal or steam for highway purposes.

I am opposed to this bill for these and other reasons.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. WILSON].

The question was taken; and on a division (demanded by Mr. WILSON of Indiana) there were—ayes 24, noes 102.

So the amendment was rejected.

Mr. ALGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALGER: On page 29 strike out line 1 and all that follows down through line 10, page 29, and renumber the following sections accordingly.

Mr. ALGER. Mr. Chairman, you know that I will not talk very long, so I hope I can have your attention, and I further ask your indulgence not to ask me to yield until I struggle through what I have prepared. As a student of what I have observed here as a freshman, I would say that this section is not germane to the bill. But since that may be ruled out because you have a precedent, possibly in other legislation, then I say that a bad precedent does not require another bill.

Secondly, I would go so far—and probably lose a lot of you at this point—as to hold that this is not even the province of the Federal Government, since I have a rather deepseated conviction that what the Government can bestow it can take away. I hate to see us crippling the workingman by fixing his pay through the Federal bureaucracy.

Further than this, since I have heard something as a freshman about the Committee on Ways and Means giving us, the Committee on Public Works, the privilege of working on taxes. After they gave us that privilege I am asking you now why we are ruling on labor, without going through the Committee on Labor. Instead we, of the Committee on Public Works, are considering it at this time. That is further evidence, I hold, that it should not be a part of this bill.

But how about the cost? It has been estimated before our committee—and I want you to know that I am a member of the subcommittee that held the hearings, and I think I had an almost complete attendance and have listened to everything that was said—it has been variously estimated that the cost of the Bacon-Davis amendment in the highway bill would be between 4 percent and 10 percent of the cost, which would be somewhere between $2 billion and $5 billion. If we watchdogs of the public purse are really concerned about the cost, it occurs to me again that we should not have the Bacon-Davis amendment. Further than this, if this is a Government matter, I am one of those who holds that that Government is best that is closest to the people. If it is a matter of the Government, let us keep it at the State level. We in Texas and in other States, I am sure, feel that we can take care of our own labor matters without the Federal Government control.

I have been very surprised in the course of the deliberations of such a staggeringly expensive bill to see us dismiss other things as unimportant. I had a colleague on the committee tell me that this only sets the prevailing wage or recognizes the prevailing wage in this area. I say to you that the men in Texas do not work if they do not get the prevailing wage. We know what the prevailing wage is. We would like to set it without the Federal Government doing it for us.

I would go further—and maybe some of you think this very odd—I come very recently from the grassroots, the man-on-the-street sort of thing, and I hold that the balance of power between the Federal Government and the States is jeopardized by this sort of bill. That might be very provincial. I have heard that phrase used. I do not think it is at all provincial. It was set up rather wisely that the States have their rights, and we want no encroachment of our State rights.

Our local economy can take care of itself. If highway workers come in and receive pay that is more than the prevailing wage or is out of keeping with the wage pattern we have set up because some Federal bureaucrat makes a mistake and tells you what the wage ought to be, it will disrupt our entire economy.

What happens when the Federal Government comes in? I think all of you know that where we have State machinery set up, the Federal Government duplicates it, and if there is a question of jurisdiction, you know what happens to the States.

I trust that others throughout the country share some of this concern, because while we are Federal legislators, we also represent our districts. For that reason I hope you will vote to strike out the Bacon-Davis amendment, section 11.

Mr. BALDWIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we had a vote on this particular provision yesterday when the question came up as to the insertion of an identical provision in the Dondero bill. It was demonstrated yesterday that it was the clear intent of the Members of this body that we should have a Bacon-Davis Act prevailing-wage provision in this highway legislation. The actual wording of this provision simply states that we shall pay wages at rates not less than those prevailing on similar construction in the immediate locality.

Certainly that basic provision is something we have recognized in Federal Government expenditures for years. It was established originally in order to prevent anyone coming in on a Federal construction project and paying rates of wages that were materially less than those in the surrounding area. And since that time it has been recognized as a basic part of our Federal policy to use this plan to protect workmen from being brought in from other areas and undercutting the level of wages in the particular area in which the construction is done.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. JOHNSON of California. I congratulate my colleague on his argument and want to associate myself with it. I endorse exactly what he has said. We have had the prevailing wage system on State and municipal projects in California for over 25 years. It has produced excellent results.

Mr. BALDWIN. I thank the gentleman. We should by the prevailing vote of this body protect and keep this Davis-Bacon Act provision. It is the proper thing to do in this case because we are now recognizing the fact that the Interstate System is primarily a Federal financial responsibility. We are providing that between 90 and 95 percent of the funds for this Interstate System will be Federal funds. When we recognize that the basic 90 or 95 percent financial obligation is Federal, then we certainly should accompany it with the Davis-Bacon provision, which we have recognized for years as an obligation we owe to the workingmen of this country.

Mr. MACHROWICZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Texas seeks to strike out the very language which was adopted here yesterday on an amendment offered by the gentleman from Washington [Mr. MACK] and which was adopted by the Committee on Public Works by a vote of 28 to 4. The gentleman from Washington yesterday explained the theory and the history of the Davis-Bacon bill and I shall not do that today. It was passed under the Hoover administration on motion of two Republican Members of Congress. It has been put in effect by the Democratic administration ever since. So this is not a partisan move. It is an amendment which has had the support of both parties.

This amendment has been made applicable to many programs of this Congress. May I cite a few:

The Federal Airport Act.

School Survey and Construction Act of 1950.

Hospital Survey and Construction Act.

The slum clearance and urban renewal program in the Housing Act of 1954.

National Housing Act.

Multifamily rental housing under the FHA.

Defense Housing and Community Facilities and Services Act of 1951.

Lease Purchase Contracts Act of 1954.

It has been made applicable to all of these acts. Why should it not be made applicable here only to the interstate highway system, not to any other roads, but to the interstate highway system in which the Government has 90 percent of the money invested?

I submit the House expressed its views yesterday in such a strong way that I shall take no further time to urge defeat of this amendment.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise in support of the amendment to strike out the provision fastening the provisions of the Davis-Bacon Act upon the expenditures of the States themselves as well as the Federal Government. It should not be in this act.

I have had some experience with it. The Davis-Bacon Act in its inception is all right; it is good. We ought to pay the prevailing rate of wages. That is what we ought to do. But the way that act is set up and the way it is administered, that is just exactly what you do not do.

I want to tell you the experience I have had with it here in the area of the Nation's Capital. As you all know, when you get to building these roads out in the rural areas it is a positive fact that prevailing rates of wages on all mechanics vary from those in the city areas.

What happens? Here in Washington I had the situation where a contract was being let on a Government project 50 miles from Washington in a purely rural area. The Department of Labor, which is charged with the responsibility of fixing the prevailing rate of wages, went 50 miles out in Virginia in a rural area and solemnly declared that the prevailing rate of wages in that rural area was the same as the highest prevailing rate of wages in the District of Columbia, which was exactly contrary to the facts. I took it up with the Department of Labor and could get nowhere, and I took it up with the Defense Department and complained. The Army people said to me, "Why this is an outrage. It is costing the Government millions upon millions of dollars by this false application of the provisions of this act." I said, "Why don't you do something about it?" They said, "We have." They said that they had gone to the Department of Labor and said to the Secretary of Labor that this law was being misapplied and misconstrued in every possible way, robbing the Government of millions of dollars. The reply they got from the Department of Labor was that this function has been assigned to the Department of Labor. They were told: "Now we will attend to the functions of the Department of Labor and you go on back and fight the war."

That is what is happening to you in this bill. I think you ought to know it and I think you ought to stop and listen before you add a tremendous amount of expense to the building of these roads by a false application and a false construction and the false operation of a bill which in its inception is a good bill.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SHEPPARD. What controversy would there be with relation to the regulatory provisions of the Walsh-Healey Act as against the legislation to which the gentleman is presently addressing himself. Is there any conflict there at all?

Mr. SMITH of Virginia. I am not sure whether there would be any or not, but they are along the same line.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if there ever was a bill before the Congress in which the provisions of the Davis-Bacon Act should be included, it is the bill which is presently before us. To me the inclusion of the provisions of the Davis-Bacon Act in this bill is not only justified from the angle of the workers and the employees, but there is just as strong a case from the angle of the employer and the contractor. We must bear in mind that the uncomfortable questions that arise where there is an abuse of something that is good usually is confined to only 1 percent or 2 percent of a group or class. Ninety-eight to ninety-nine percent want to do the right thing. In the case of the contractors of our country, 98 to 99 percent of them want to do the right thing and they want to pay their employees the prevailing rate of wages. Let me give you an illustration of a case that I know about. In 1 of our States not so long ago, a contract was let to a contractor who bid 30 cents or 40 cents an hour under the prevailing rate. Honorable contractors cannot compete with that sort of a situation. I have friends of mine who are honorable contractors. They are mighty fine citizens and fine people. They have come to me and said, "John, the provisions of the Davis-Bacan Act should be included in this bill. It is not only "right and just, it is a protection to me. I want to pay the prevailing rate to my employees But, if I have to meet unscrupulous competition, there is 1 or 2 things that I must do. Either I must engage in the same practices as they are engaging in, which I do not want to do, or I have to go out of business because I cannot compete in that particular field of business activity. It is useless for me and other honorable contractors to submit bids under these circumstances because the award under the law must be given to the lowest responsible bidder, and we cannot compete with the type of contractors who are bidding where they are paying 30 cents to 40 cents an hour less than we pay and less than what we want to pay."

So not only is it an economic problem, but there is a moral problem involved—the morality of paying the prevailing rate of wage to the workers and morality of protecting honorable contractors. So I hope the amendment will be defeated.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this entire subject, the Davis-Bacon amendment was debated yesterday and accepted by the committee by a very large majority.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Texas.

Mr. ALGER. I would like to correct that and say to my colleague from Washington that that was not the case. I was on my feet, if the gentleman recalls. We had a substitute motion which was presented. We were told we were to have a vote on the Mack amendment, but the substitute amendment offered by the gentleman from Louisiana, Mr. THOMPSON, was considered after the debate closed. We could not get a vote. I was not recognized. I just want that to appear on the record.

Mr. MACK of Washington. The gentleman would have had an oppor-

tunity to discuss the measure if he had availed himself of the parliamentary rules of the House.

I want to say, Mr. Chairman, that the Davis-Bacon provisions have been the law in the United States for 25 years. These provisions apply in the building of every veterans' hospital in the United States. They apply to the building of Federal airports; they apply to all work on school buildings where Federal funds are provided; they apply in the act passed last year to establish the lease-purchase program for the erection of new Federal buildings and new post office buildings throughout the United States; they apply even to the highways built for the Forest Service and the Park Service. Certainly the Davis-Bacon law should apply here where 90 percent of the money going into the interstate system of highways is Federal money.

Every one here familiar with labor matters know of the need to protect the hundreds of thousands of jobs that are being created under this highway program. This is a $25 billion program, the greatest public works program in the history of the world. It will create jobs for tens of thousands of workmen for the next 15 years in the construction of highways. We in the Federal Congress certainly do not want any part in any arrangement that will break down the high living standards and the good wages that have prevailed in some areas.

Mr. BROWNSON. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. BROWNSON. Is it not true that there is probably no law on the books of the Nation that has had the bipartisan support that this Bacon-Davis law has had since it was originally passed by a Republican Congress and through all the intervening years?

Mr. MACK of Washington. And an indication of that is that when this road bill was before the Public Works Committee the Davis-Bacon provision was placed in the Fallon bill by a vote of 24 to 4. Practically all the Republicans and practically all the Democrats on the committee voted for the proposal to include the Davis-Bacon provisions in the Fallon bill.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Rhode Island is recognized for 5 minutes.

Mr. FOGARTY. Mr. Chairman, I do not intend to take the 5 minutes.

Mr. Chairman, I listened to the gentleman from Virginia [Mr. SMITH] state a hypothetical problem on this particular amendment, talking about some situation that existed 50 miles outside the District of Columbia. I do not know where that particular place is or what was being built, but I do know how the Bacon-Davis act applies to situations such as that.

Perhaps in the town, if it was a small town, and a veterans' hospital was being built, or 10 miles of a 4-lane highway, or some other big project, in order to get the project built they had to employ men from the District of Columbia. The only way one can build a project like that is to get employees from a larger city area like the District of Columbia. In order to get those employees to go to work in a small town 50 miles out of the city one has to guarantee that they will get the prevailing wage paid in this area in order to justify travel of 50 miles to get to the job. In 99 percent of the cases that is how the Bacon-Davis act applies. I think everyone who has been here during the war years and who saw the barracks built realizes that we would not have had them built without the wholehearted cooperation of labor. Let us make no mistake about that.

These veterans' hospitals and barracks were built during the war because the armed services of this country had the support and the cooperation of the labor organizations of the country. They supplied the help and the know-how and the equipment to build these cantonments all over the country. If we had not had the prevailing scale of wages under the Bacon-Davis Act those installations could not have been built in the record time they were built. Perhaps they would have cost twice as much as they did, when, as, and if they were completed.

Now, I have been through this for about 14 or 15 years.

I know in connection with some of these large contracts that are going to be let on these road jobs that when a contractor has a steam shovel which cost him in the neighborhood of $100,000 to $150,000 to buy, he is going to make sure he has a mechanic who is trained and will not wreck that piece of equipment. He wants a mechanic who is trained to run the equipment. It will be a man he must pay a living wage to in order to protect his own equipment.

This is a basic reason for the Davis-Bacon Act. Every good employer in this country, building these roads, hospitals and installations—all over the country—is in favor of the Davis-Bacon Act because he knows that is the only way they can get built. They can be built quicker, they can be built better and as long as we have that act on the books, let us support it.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from California.

Mr. SCUDDER. Is it not true that the provisions of this amendment state that the people under this act shall be employed at rates not less than the rates prevailing in similar construction in the immediate locality, as determined by the Labor Department? If the labor is supplied from another center, that is the center that the prevailing wage would be based on, in a locality perhaps 50 miles away?

Mr. FOGARTY. If the labor supply is not available in the area and they must go 100 miles to get it, they would be expected to pay the prevailing wage of the area where the employee came from.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ALGER].

The amendment was rejected.

Mr. WITHROW. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time for the purpose of announcing that if I am recognized by the Speaker at the proper time I shall offer a motion to recommit the Fallon bill, H. R. 7474, to the Committee on Public Works with instructions to report the same back forthwith with the following amendment, which strikes all after the enacting clause and inserts for the Fallon bill, H. R. 7474, the Dondero bill which was considered in the Committee today.

I do that for the reason I believe the subject is important enough, and due to the fact that the vote was so close in the Committee, 178 to 184, that it should be considered by the House itself.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Indiana.

Mr. HALLECK. Do I understand it is the Dondero bill as amended and perfected in the Committee of the Whole which the gentleman is going to offer?

Mr. WITHROW. That is correct.

Mr. VANIK. Mr. Chairman, although the provisions of H. R. 7474 are not the perfect solution to the highway needs of the interstate system, I will support this legislation on the basis that it is the only solution to the highway problem available this year. Time is of the essence in the adjusting of our public highways to the increasing needs. The 40,000 miles of the interstate system are the backbone of the Nation's circulatory system. The improvement and the development of the interstate system is an integral part of the national defense plan and the highway program envisioned by this legislation is justified for that reason alone.

There is no perfect or easy solution to the problem of raising the funds to pay for the highways which we need. Highways which become obsolete and inadequate almost immediately after they are constructed should not be paid for with funds raised through bonded indebtedness. And it is only reasonable to expect that the highways should be paid for by the highway users who have most to gain by the development of a free moving system. The tax revenue proposals of this measure are fairly reasonable and just. Certainly there can be no discrimination against truckers when over 75 percent of the revenues would be derived through a gasoline tax applicable principally to the motorist. By any other principle, the trucking industry would be obliged to pay a greater proportion. If the principle of weight and distance were applied to the problem of raising highway revenues, the tax on the trucking industry would be considerably greater.

I will vigorously oppose the provisions of the highway bill which provide for the permissive use of Federal-aid funds to pay the costs of relocating public utility lines where State laws require the entire relocation cost to be borne by the utility. In this connection, I want to quote from a letter which I received on July 5, 1955, from Mr. S. O. Linzell, director of the Department of Highways of the State of Ohio:

It is contrary to State laws on the subject and authorizes use of funds allocated

to the State for a purpose illegal under our laws.

Utilities are on public highways in Ohio by permit, agreeing when given the permit to conform to highway improvements without cost to the State or its subdivisions. The Federal act, in substance, thus avoids contracts between the State or its subdivisions and the utilities.

It is bad policy to have national laws at variance with State laws on the subject.

Utilities are a burden on the highways, are there without a rental charge and create hazards not there except through the permit.

A utility should have no vested right by sufferance than any other property owner should not have.

We now pay utilities to move when a relocation of our highway causes changes when they are on a private right-of-way. Most of the interstate highway work, whether rural or urban, will be on relocation, and utilities will be paid for relocating their facilities, while in the normal type improvement, on ordinary State work, the State would be loaded, ultimately, with costs for which there is no legal obligation.

It is useless to argue that the expenditure is permissive, because once the Federal Government gives its blessing to the principle of reimbursement, the States will be forced by pressure tactics to do the same and justification will be based on the Federal action.

The statement of Mr. Linzell is a statement of sound public policy, in which I heartily concur.

I also find disagreement with that section of the bill which provides that the Secretary of Commerce must enter into agreements with the State highway departments to insure that the users of the national system will receive the benefits of free competition in purchasing supplies and services at or adjacent to the national system.

I have no argument with those Members who seek to restrict the granting of special food and service concessions on highways of the national system. There may be some abuses. However, I take the position that the newly relocated highways of the interstate system will better serve the public if there is no retail business enterprise on the system. The new highways should be for transport and travel and not for hot dogs and beer. For these things and other services, the motorist can enter upon the local highway system which is dedicated to business and other uses. In procuring highway rights-of-way, procurement should include covenants restricting the use of land adjacent to the highway right-of-way to purposes not inconsistent with through highway use and specifically prohibit the use of such abutting property for retail business purposes. Where possible, the State highway department should obtain from the local governments agreements that land abutting on highways of the national system shall be zoned for uses other than retail business. This procedure will preserve the business usefulness of urban communities near the national system and will prohibit the relocation and movement of urban communities to the national system. A highway is useful only so long as it does not become a business street. It is tragic to tabulate the cost of highways relocated around urban communities which have in a short time become dotted with neon lights, traffic lights and all the other impediments to travel that are customary on a business highway.

Although the language in the bill has for its purpose the elimination of monopoly concessions along highways on the national system, I very much fear that it may more extensively be used as an argument against the development of freeways; that landowners abutting a relocation section of the national highway system would use the language as part of their claim that it was congressional intent that local business be freely sprinkled along the highway right-of-way.

Better highways must be built and although this bill is not perfect, it is a good beginning.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, pursuant to House Resolution 314, 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 engrossment and third reading of the bill.

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

Mr. WITHROW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WITHROW. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WITHROW moves to recommit the bill H. R. 7474 to the Committee on Public Works with instructions to report the same back forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following:

"Short title

"SECTION 1. That this act may be cited as the 'National Interstate Highway Act'.

"Objective and policy

"SEC. 2. It is hereby declared to be in the national interest to foster and accelerate the development of a modern, adequate, safe, and efficient system of highways deemed essential for the expansion of the economy and the changing concepts of the military and civil defense of the United States. It is further declared to be desirable that the development of such system of highways be continued through the cooperation and joint efforts of the Federal Government, the States, and local subdivisions thereof. It is hereby found that those essential highways are in fact inadequate to meet the needs of interstate commerce and the national and civil defense, and that the most important portion of such highways are, or should be, located on the National System of Interstate Highways.

"Accordingly, it is the objective of this act to complete the construction of the National System of Interstate Highways within the next 10 years up to such standards as will produce safe highways adequate to handle traffic needs for at least the next 20 years. This objective will be reached only by means of a program which will presently assure the financing of the system as a whole, and provide for prompt acquisition of necessary rights-of-way. It is hereby declared to be the policy of Congress to continue or to impose such taxes as may be necessary to meet this objective.

"SEC. 3. This act is divided into titles and sections according to the following table of contents:

"TABLE OF CONTENTS

"Title I—Federal Highway Corporation

"Sec. 101. Creation of Corporation.
Sec. 102. Management of Corporation.
Sec. 103. Duty of Corporation.
Sec. 104. Corporate powers.
Sec. 105. Corporate financing.
Sec. 106. Services and facilities of other agencies.
Sec 107. Misappropriation of funds.
Sec. 108. Report to Congress.

"Title II—Concerning the Department of Commerce

"Sec. 201. Cancellation of authorizations.
Sec. 202. Interstate system.
Sec. 203. Standards.
Sec. 204. Expenditure authorization.
Sec. 205. Distribution by States.
Sec. 206. Scheduling of construction and participation by States.
Sec. 207. Right-of-way acquisition.

"Title III—Miscellaneous

"Sec. 301. Definitions.
Sec. 302. Without compensation employees.
Sec. 303. Amendment to Corporation Control Act.
Sec. 304. Construction of this act.
Sec. 305. Effect on present law.

"TITLE I—INTERSTATE HIGHWAY FINANCE CORPORATION

"Creation of Corporation

"SEC. 101. There is hereby created, subject to the direction and supervision of the President, a body corporate to be known as the Interstate Highway Finance Corporation. As hereafter provided in section 303, the Corporation shall be subject to the provisions of the Government Corporation Control Act. The principal office of the Corporation shall be located in the District of Columbia.

"Management of Corporation

"SEC. 102. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the Board) composed of four members. One of these members shall be a full-time public member appointed by the President, by and with the consent of the Senate, without regard to political party affiliation, and the President shall designate such full-time public member as Chairman of the Board. The three remaining members shall be the Secretary of Commerce (hereinafter called 'Secretary'), the Secretary of the Treasury, and the Secretary of Defense, or their representatives. The Commissioner of Public Roads shall serve as executive secretary of the Board.

"(b) The Chairman of the Board shall receive compensation at the rate of $17,500 per annum. As Chairman, he shall preside at meetings of the Board and be the Corporation's chief representative. He shall be responsible for general supervision of the activities of the staff of the Corporation. He shall also maintain liaison with the representatives of the States with respect to the policies set forth in this act. The Chairman in the conduct of his functions as Chairman shall act in conformance with determinations of the Board.

"Duty of Corporation

"SEC. 103. It shall be the duty of the Corporation (a) to receive and borrow funds, (b) to provide and make available to the Secretary such sums as are necessary to permit him to make the payments or advances to the States, through the established channels of the Bureau of Public Roads of the Federal share of the cost of construction of projects on the interstate system, and such other costs or expenses as are permitted or required to be paid or advanced by him in connection with the interstate system under the terms of this act, and (c) to perform such other duties as may be required in the performance of its functions and the exercise of its powers under this act.

"Corporate powers

"SEC. 104. For the purpose of carrying out its functions under this act, the Corporation—

"(1) shall have succession in its corporate name;

"(2) may adopt and use a corporate seal, which shall be judicially noticed;

"(3) may sue and be sued in its corporate name;

"(4) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its functions may be carried out and the powers vested in it may be exercised;

"(5) may make and carry out such contracts, agreements, or other transactions as it may deem necessary or advisable in the conduct of its business;

"(6) may incur indebtedness as provided in section 105, and incur current obligations incidental to performing its functions, subject to provisions of law applicable to Government corporations;

"(7) may appoint such officers, agents, attorneys, and employees as it deems necessary for the conduct of its affairs, define their authority and duties, delegate to them such of the powers vested in the Corporation as the Board may determine, require bonds of such of them as the Board may designate, and fix the penalties and pay the premiums on such bonds;

"(8) may utilize the available services and facilities of other agencies as provided in section 106;

"(9) may use the United States mails in the same manner as its executive departments; and

"(10) may take such actions and exercise such other powers as may be necessary, incidental, or appropriate to carry out the function of the Corporation, and to further the objectives of this act.

"Corporate financing

"SEC. 105. (a) The Corporation is authorized to issue, upon the approval of the Secretary of the Treasury, obligations in an amount not to exceed $21 billion. Obligations issued under this subsection shall have such maturities, not to exceed 30 years, and shall bear such rate or rates of interest, as may be determined by the Corporation with the approval of the Secretary of the Treasury, and they shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations. The aggregate amount of obligations under this subsection outstanding at any one time shall not exceed the maximum amount of obligations, as determined by the Secretary of the Treasury as of July 1 of each year, on which the annual principal and interest payments required over the life of the obligations can be made from prospective appropriations under subsection (b) and other revenues of the Corporation, but obligations lawfully issued hereunder will not be affected by determinations subsequent to date of issue. The Corporation shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that the obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Corporation. The Corporation is authorized to purchase in the open market for retirement, at any time and at any price, any outstanding obligations issued under this subsection.

"(b) There are hereby authorized to be appropriated and there shall be paid by the Secretary of the Treasury to the Corporation for the fiscal year 1956, and for each fiscal year thereafter in which there are outstanding unmatured obligations of the Corporation, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the revenue in excess of $622,500,000 collected during each fiscal year, as shown by the official accounts of the Directors of Internal Revenue, from the taxes (including interest, penalties, and additions to taxes) imposed by sections 4081 and 4041 of the Internal Revenue Code of 1954 on gasoline and special fuels, upon certification by the Board and the Secretary of the Treasury as necessary to finance this program. The Secretary of the Treasury shall enter into a contract with the Corporation providing for the payment of such amounts to the Corporation, which contract shall stand as security for the outstanding obligations of the Corporation, it being the intent of Congress that such amounts shall be dedicated to the construction of the interstate system. The Secretary of the Treasury may advance to the Corporation in any fiscal year an amount not in excess of the estimated appropriation for that fiscal year, such advances to be repaid from amounts subsequently appropriated hereunder in that fiscal year. The Corporation shall pay into the Treasury as miscellaneous receipts, on the basis of annual billings as determined by the Secretary of the Treasury, an amount for each fiscal year that bears the same ratio to the estimated costs of collecting taxes, refunds of taxes, and costs of making refunds of taxes under sections 4081 and 4041 of the Internal Revenue Code of 1954 for that fiscal year as the appropriation hereunder bears to the estimated total revenue collected under those provisions for that fiscal year.

"(c) The Corporation may issue to the Secretary of the Treasury its obligations in an amount not to exceed in any 1 year the amount necessary above all other revenues of the Corporation to provide for debt service of the Corporation during that year but not to exceed the aggregate amount of $5 billion outstanding at any one time. The obligations issued by the Corporation under this subsection shall have such maturities as may be prescribed by the Corporation with the approval of the Secretary of the Treasury and shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the obligation of the Corporation. The Secretary of the Treasury is authorized to purchase any obligations of the Corporation to be issued under this subsection, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the Corporation's obligations hereunder.

"(d) All obligations issued by the Corporation shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under authority and control of the United States or any officer or officers thereof.

"(e) The penultimate sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended, is amended by inserting after the phrase "or obligations of the Federal National Mortgage Association," the phrase "or obligations of the Interstate Highway Finance Corporation,".

"(f) All revenues of the Corporation, including moneys appropriated under subsection (b) of this section shall be maintained as a trust fund.

"Services and facilities of other agencies

"SEC. 106. (a) Except as specifically authorized by the President, the Corporation shall, with the consent of the agency concerned, accept and utilize, on a reimbursable basis, the services of the officers, employees, facilities, and information of any agency of the United States, except that any such agency having custody of any data relating to any of the matters within the jurisdiction of the Corporation shall, upon the request of the Corporation, make such data available to the Corporation without reimbursement.

"(b) The Corporation shall contribute to the civil-service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil-service retirement system applicable to the Corporation's employees and their beneficiaries. The Corporation shall also contribute to the employee's compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such fund on account of the Corporation's employees. The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Corporation into the Treasury as miscellaneous receipts.

"Misappropriation of funds

"SEC. 107. (a) All general penal statutes relating to the larceny, embezzlement, or conversion, of public moneys or property of the United States shall apply to the moneys and property of the Corporation.

"(b) Any person who, with intent to defraud the Corporation, or to deceive any director, officer, or employee of the Corporation or any officer or employee of the United States, (1) makes any false entry in any book of the Corporation, or (2) makes any false report or statement for the Corporation, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 5 years, or both.

"(c) Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"Report to the Congress

"SEC. 108. The Board shall prepare an annual report of operations under this act for transmittal by the President to the Congress.

"TITLE II—PROVISIONS CONCERNING THE DEPARTMENT OF COMMERCE

"Cancellation of authorizations

"SEC. 201. (a) Section 2 of the Federal-Aid Highway Act of 1954 is hereby repealed.

"(b) Section 1 of the Federal-Aid Highway Act of 1954 is hereby amended by reducing the authorization for projects on the Federal-aid primary system in urban areas, and for projects on approved extensions of the Federal-aid secondary system within urban areas, for the fiscal years ending June 30, 1956 and 1957, from '$175,000,000' to '$75,000,000.'

"Interstate system

"SEC. 202. In furtherance of section 7 of the Federal-Aid Highway Act of 1944, the Secretary is authorized, within the limitation of 40,000 miles, to approve as part of the interstate system such lateral feeder and distributing routes, and circumferential routes as may be required to furnish maximum utility of the system within or adjacent to urban areas, provided that one or both ends of such routes shall lie on a route of the system. The Secretary is further authorized to approve as part of the interstate system any highway which complies with the standards of section 203 and which lies on an approved route of the interstate system irrespective as to whether or not tolls are collected for the use thereof. The Secretary is authorized, in cooperation with the State highway departments, to designate as promptly as reasonable possible routes to take up the mileage still undesignated so that the entire 40,000 miles of this system shall be designated. In approving any undesignated mileage the Secretary shall designate those routes which contribute most to the benefit of the system as a whole and are most important from the point of view of national defense. In case the actual construction of highways on the system increases available undesignated mileage the Secretary may redesignate this mileage in accordance with the preceding sentence. No additional mileage shall be placed on the system until the Secretary shall certify that 80 percent of the mileage originally designated has been improved to the approved standards.

"Standards

"SEC. 203. (a) The standards to be used for the interstate system shall be those approved by the Secretary after consultation with the Department of Defense, the Federal Civil Defense Administration, and the State highway departments. The Secretary is authorized to make the final determination of the standards to be used, except as provided in section 102 (d).

"(b) The geometric standards for the interstate system shall be such standards as are deemed adequate to properly accommodate the types and volume of traffic forecast for the 20 years immediately following enactment of this act. Such standards shall provide for the development of a system as nationally uniform in characteristics as possible within a 10-year construction period.

"(c) The right-of-way width on the interstate system shall be adequate to permit construction of the route to the geometric standards provided for in subparagraph (b) for a period of at least 20 years following the date of authorization of a project under this act. Such width shall not be deemed adequate if (1) it does not include provision for the addition of more traffic lanes at a future date, except that the maximum width in any case need not exceed that necessary for three moving lanes in each direction, plus service roads as necessary; and if (2) it does not contain the proper and necessary degree and type of control of access or exits from the highway which will permit maximum freedom of traffic flow and promote national safety.

"(d) The standards shall be periodically reviewed by the Secretary, after consultation with the appropriate State and Federal officials, to insure maximum utility of the completed system with due recognition to the desirability of developing a national system having the greatest uniformity of characteristics possible.

"Expenditure authorization

"SEC. 204. The Secretary is hereby authorized to make payments in an amount not to exceed $25 billion or such lesser sum as estimated by the Corporation on the basis of prospective revenues to be the maximum amount to be available for the purposes of this act.

"Distribution by States

"SEC. 205. (a) All sums herein authorized shall be apportioned among the several States in accordance with needs of the Interstate System in the several States as determined in accordance with the provisions of this act: *Provided,* That the following amounts (representing 90 percent of the needs of the several States with respect to the Interstate System, as reported in H. Doc. No. 120, 84th Cong., 1st sess.) shall be distributed to the States as next hereinbelow set forth:

[Amounts in thousands]

State	10 years	Annually
Alabama	$328,811	$32,881
Arizona	188,622	18,862
Arkansas	182,776	18,278
California	2,089,397	208,940
Colorado	140,752	14,075
Connecticut	499,500	49,950
Delaware	59,330	5,933
Florida	445,622	44,562
Georgia	629,921	62,992
Idaho	96,292	9,629
Illinois	958,212	95,821
Indiana	780,526	78,053
Iowa	248,133	24,813
Kansas	185,779	18,578
Kentucky	442,800	44,280
Louisiana	443,272	44,327
Maine	132,549	13,255
Maryland	390,730	39,073
Massachusetts	754,179	75,418
Michigan	1,166,141	116,614
Minnesota	434,781	43,478
Mississippi	221,252	22,125
Missouri	538,728	53,873
Montana	137,038	13,704
Nebraska	96,034	9,603
Nevada	66,106	6,611
New Hampshire	59,785	5,979
New Jersey	1,221,470	122,147
New Mexico	212,141	21,214
New York	1,202,310	120,231
North Carolina	222,215	22,222
North Dakota	96,161	9,616
Ohio	1,224,656	122,466
Oklahoma	339,274	33,927
Oregon	287,460	28,746
Pennsylvania	684,019	68,402
Rhode Island	110,582	11,058
South Carolina	164,953	16,495
South Dakota	85,576	8,558
Tennessee	341,855	34,186
Texas	784,814	78,481
Utah	214,418	21,442
Vermont	159,601	15,960
Virginia	512,514	51,251
Washington	420,742	42,074
West Virginia	232,726	23,273
Wisconsin	290,158	29,016
Wyoming	266,261	26,626
District of Columbia	136,621	13,662

Provided, That the Secretary shall, in cooperation with the several States, reevaluate the remaining needs of the interstate system in the several States in 1958, 1961, and 1964, and shall render a written report to the Congress on or before the first day of February in each of such years containing the results of such reevaluation and his recommendations with reference to any proposed changes in the distribution of the balance of the funds apportioned in the foregoing table: *Provided further,* That the Federal share payable on account of any project on the National System of Interstate Highways provided for by funds made available hereunder shall be 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area; *And provided further,* That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project.

"(b) On or before April 1, 1956, each State desiring to avail itself of funds hereunder shall file a statement, and an estimate of the cost as of January 1, 1956, of bringing that portion of the designated interstate mileage within its boundaries up to the standards prescribed under this act. On or before April 1 of each subsequent year, each State shall submit a revised estimate of such cost as of January 1 of such year, including therein the actual or estimated cost of any construction of such mileage begun or carried on subsequent to January 1, 1956.

"(c) On or before July 1, 1956, and on or before July 1 of each year thereafter, the Secretary shall establish an approved estimate of cost for construction of projects on the Interstate System in each State, and the Secretary shall, in accordance with needs and subject to the provisions of section 205 (a), determine the ratio of the approved estimate of cost for each State to the total of the approved estimates of such costs for all States.

"Scheduling of construction and participation by States

"SEC. 206. (a) On or before April 1, 1956, and on or before April 1 of each year thereafter, each State desiring to avail itself of funds hereunder shall file a statement and an estimate of the cost of projects it proposes to construct during each of the next 2 fiscal years. The Secretary shall examine these estimates, and before the beginning of each fiscal year, commencing with the fiscal year 1956, he shall establish an approved construction program, including the estimated cost thereof, for each State for such fiscal year.

"(b) The Secretary shall make allocations to the States in the amounts of the approved estimates, and the Secretary shall promptly notify the States of the approved construction programs and of the amounts so allocated. These allocations shall be available for obligation by the States to which allocated for a period of 2 years. Any sums not under obligation at the end of any 2-year period may be reallocated, as the Secretary may determine.

"(c) On or before July 1, 1956, and on or before July 1 of each year thereafter, the Secretary shall transmit to the Corporation a schedule indicating his best estimate of the cash requirements necessary to meet payments during the next two fiscal years. These estimates shall include estimates of amounts needed for payments under section 207, for research as authorized by section 10 (a) of the Federal-Aid Highway Act of 1954, and for administrative purposes in an amount not exceeding one-tenth of 1 percent of the funds made available by the Corporation in any fiscal year. The Corporation shall promptly make available funds to the Secretary as required by his annual estimate.

"(d) The Secretary is authorized to advance funds to each State to permit prompt payment of construction costs.

"(e) Payments to the States made pursuant to this section shall be subject to the conditions (1) that construction of projects on the interstate system in each State shall be in accordance with the standards approved by the Secretary; (2) that the State participates in the costs of construction in each fiscal year in the matching amount provided for such State under the terms of section 205 (a); and (3) that the State will have the same obligations as to maintenance of the projects constructed under this act that it has under Federal-aid highway legislation.

"Labor standards

"SEC. 207. The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial work performed on highway projects in the national system of interstate highways authorized by this act shall be paid wages at rates not less than those prevailing on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935, known as the Davis-Bacon Act (40 USC. Sec. 276 (a)).

"Right-of-way acquisition

"SEC. 207. (a) If the Secretary shall determine that the State highway department of any State is unable to obtain possession and the right to enter upon and use the rights-of-way, lands or interest in lands, improved or unimproved, including the control of access thereto from adjoining lands, required for any project on the interstate system with sufficient promptness, and each such State has agreed with the Secretary to pay, at such time as may be specified by the Secretary, an amount equal to 10 percent of the costs incurred by the Secretary in acquiring such lands or interest in lands, or such lesser percentage as may be applicable under the provisions of section 205 (a), the Secretary is authorized, upon the request of such a State, prior to approval of title by the Attorney General, and in the name of the United States, to acquire, enter upon, and take possession of such rights-of-way, lands or interests in lands, including the control of access thereto from adjoining lands, by purchase, donation, condemnation or otherwise in accordance with the laws of the United States (including the Act of February 26, 1931; 46 Stat. 1421), and to expend funds for projects thereon. The authority granted by this section shall also apply to lands and interest in lands received as grants of land from the United States and owned or held by railroads or other corporations. The cost incurred by the Secretary in acquiring any such rights-of-way, lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition; and shall be payable out of the funds apportioned to the State hereunder available to the Secretary for construction of projects on the interstate system. The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any such rights-of-way, lands, or interest in lands, including the control of access thereto from adjoining lands, acquired in any State under the provisions of this section, except the outside five feet of any such right-of-way in States unable or unwilling to control access, to the State highway department of such State or to such political subdivision thereof as its laws may provide, upon such terms and conditions as may be agreed upon by the Secretary and the State highway department, or political subdivisions to which the conveyance is to be made. Whenever the State is able and agrees to control access, the outside five feet may be conveyed to it.

"(b) Whenever rights-of-way on the interstate system are required over public lands of the United States, the Secretary may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary in this connection.

"(c) The Secretary may adopt such regulations as he deems advisable to protect fully the interests of the United States in the acquisition of rights-of-way. He may take such action as necessary to carry out such regulations.

All agreements between the Secretary and the State highway department for the construction of projects on the national system may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the National System will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments to be constructed or located on the right-of-way of the national system in such State.

"TITLE III—MISCELLANEOUS

"Definitions

"SEC. 301. As used in this act, unless the context requires otherwise—

"(a) The term "interstate system" means the National System of Interstate Highways as authorized to be designated by section 7 of the Federal-Aid Highway Act of 1944, and includes those routes heretofore designated by the Commissioner of the Bureau of Public Roads, as well as routes to be hereafter designated. The mileage so designated as of June 30, 1954, is thirty-seven thousand six hundred miles. The mileage of the routes so designated is calculated by stating the mileage of the most traveled highway between control points. The mileage of the entire system is limited to forty thousand miles.

"(b) The term 'Corporation' means the Interstate Highway Finance Corporation created by title I of this act.

"(c) The term 'Secretary' means the Secretary of Commerce.

"(d) The term 'Federal-aid highway legislation' means 'the act providing that the United States shall aid the States in the construction of rural post roads and for other purposes,' approved June 11, 1916, as amended and supplemented.

"Amendment to Corporation Control Act

"SEC. 302. Section 101 of the Government Corporation Control Act (59 Stat. 597), as amended, is hereby further amended by adding thereto the words 'Federal Highway Corporation.'

"Construction of this act

"SEC. 303. If any section, subsection, or other provision of this act, or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such section, subsection, or other provision to other persons or circumstance shall not be affected thereby.

"Effect on present law

"SEC. 304. All provisions of Federal-aid highway legislation shall remain in full force and effect, and shall apply to the required actions to be taken, and payments to be made, by the Secretary under this act in connection with the interstate system with the same force and effect that said provisions of the said legislation applied to such actions and payments in connection with the interstate system prior to the passage of this act, except that the provisions of this act shall supersede any provision of the said legislation which conflicts with a provision of this act, except that section 13 of the Federal-Aid Highway Act of 1950 shall not be applicable to the interstate system, and for the purposes of section 12 of the Hayden-Cartwright Act, the allocations made under this act shall not be deemed an apportionment."

Without objection the previous question was ordered on the motion to recommit.

Mr. MARTIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 193, nays 221, not voting 20, as follows:

[Roll No. 132]

YEAS—193

Adair
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Arends
Auchincloss
Avery
Ayres
Baker
Baldwin
Bass, N. H.
Bates
Baumhart
Beamer
Becker
Belcher
Bennett, Mich.
Bentley
Berry
Betts
Bolton, Frances P.
Bolton, Oliver P.
Bosch
Bow
Bray
Brooks, La.
Brown, Ohio
Brownson
Broyhill
Budge
Burdick
Bush
Canfield
Carrigg
Cederberg
Chase
Chenoweth
Church
Clevenger
Cole
Coon
Corbett
Coudert
Cramer
Cretella
Cunningham
Curtis, Mass.
Dague
Dawson, Utah
Derounian
Devereux
Dixon
Dodd
Dolliver
Dondero
Dorn, N. Y.
Ellsworth
Fenton
Fino
Fjare
Ford
Frelinghuysen
Fulton
Gamble
Gavin
George
Gross
Gubser
Hale
Halleck
Hand
Harden
Harrison, Nebr.
Harvey
Henderson
Heselton
Hess
Hiestand
Hill
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Holt
Hope
Horan
Hosmer
Hyde
Jackson
James
Jenkins
Jensen
Johansen
Johnson, Calif.
Jonas
Judd
Kean
Kearns
Keating
King, Pa.
Knox
Laird
Lane
Latham
LeCompte
Lipscomb
Lovre
McConnell
McCulloch
McDonough
McGregor
McIntire
Macdonald
Mack, Wash.
Mailliard
Martin
Mason
Meader
Merrow
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Minshall
Morano
Moulder
Nelson
Nicholson
Norblad
O'Hara, Minn.
O'Konski
Osmers
Ostertag
Patterson
Pelly
Phillips
Pillion
Poff
Prouty
Ray
Reed, Ill.
Rees, Kans.
Rhodes, Ariz.
Riehlman
Robsion, Ky.
Rogers, Colo.
Rogers, Mass.
Sadlak
St. George
Saylor
Schenck
Scherer
Schwengel
Scott
Scrivner
Scudder
Seely-Brown
Sheehan
Short
Siler
Simpson, Ill.
Simpson, Pa.
Sisk
Smith, Kans.
Smith, Wis.
Springer
Taber
Talle
Taylor
Teague, Calif.
Thompson, Mich.
Thomson, Wyo.
Tollefson
Utt
Van Pelt
Van Zandt
Velde
Vorys
Vursell
Wainwright
Weaver
Westland
Wharton
Widnall
Wigglesworth
Williams, N. Y.
Wilson, Calif.
Wilson, Ind.
Withrow
Wolcott
Wolverton
Younger

NAYS—221

Abbitt
Abernethy
Addonizio
Albert
Alexander
Alger
Andrews
Ashley
Ashmore
Aspinall
Bailey
Barden
Barrett
Bass, Tenn.
Bell
Bennett, Fla.
Blatnik
Blitch
Boggs
Boland
Bolling
Bonner
Bowler
Boyle
Brooks, Tex.
Brown, Ga.
Buckley
Burleson
Burnside
Byrd
Byrne, Pa.
Byrnes, Wis.
Cannon
Carlyle
Carnahan
Celler
Chatham
Chelf
Christopher
Chudoff
Clark
Colmer
Cooley
Cooper
Crumpacker
Curtis, Mo.
Davidson
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Deane
Delaney
Dempsey
Denton
Dies
Diggs
Dollinger
Donohue
Donovan
Dorn, S. C.
Dowdy
Doyle
Durham
Edmondson
Elliott
Engle
Evins
Fallon
Fascell
Feighan
Fernandez
Fine
Fisher
Flood
Flynt
Fogarty
Forand
Forrester
Fountain
Frazier
Friedel
Garmatz
Gary
Gathings
Gentry
Gordon
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Gregory
Griffiths
Hagen
Haley
Harris
Harrison, Va.
Hays, Ark.
Hays, Ohio
Hayworth
Hébert
Herlong
Holifield
Holtzman
Huddleston
Hull
Ikard
Jarman
Jennings
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Jones, N. C.
Karsten
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
Kilgore
King, Calif.
Kirwan
Klein
Kluczynski
Knutson
Landrum
Lanham
Lankford
Lesinski
Long
McCarthy
McCormack
McDowell
McMillan
McVey
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon

Marshall
Matthews
Metcalf
Miller, Calif.
Mills
Mollohan
Morgan
Morrison
Moss
Multer
Murray, Ill.
Murray, Tenn.
Natcher
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Neill
Passman
Patman
Pfost
Philbin
Pilcher
Poage
Polk
Powell
Preston
Price
Priest
Quigley
Rabaut
Rains
Reuss
Rhodes, Pa.
Richards
Riley
Roberts
Robeson, Va.
Rodino
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rutherford
Selden
Sheppard
Shuford
Sieminski
Sikes
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed
Sullivan
Teague, Tex.
Thomas
Thompson, La.
Thompson, Tex.
Thornberry
Trimble
Tuck
Tumulty
Udall
Vanik
Vinson
Walter
Watts
Whitten
Wickersham
Wier
Williams, Miss.
Williams, N. J.
Willis
Winstead
Wright
Yates
Young
Zablocki
Zelenko

NOT VOTING—20

Anfuso
Boykin
Buchanan
Chiperfield
Dingell
Eberharter
Gwinn
Hardy
Hillings
Kearney
Kilburn
Krueger
Mumma
Perkins
Radwan
Reece, Tenn.
Reed, N. Y.
Rivers
Shelley
Thompson, N. J.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Chiperfield for, with Mr. Anfuso against.

Mr. Hillings for, with Mr. Dingell against.

Mr. Reece of Tennessee for, with Mr. Eberharter against.

Mr. Krueger for, with Mr. Shelley against.

Mr. Kearney for, with Mr. Boykin against.

Mr. Radwan for, with Mr. Rivers against.

Mr. Gwinn for, with Mr. Thompson of New Jersey against.

Mr. Kilburn for, with Mrs. Buchanan against.

Until further notice:

Mr. Hardy with Mr. Reed of New York.

Mr. BOWLER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 123, nays 292, not voting 19, as follows:

[Roll No. 133]

YEAS—123

Addonizio
Albert
Alger
Allen, Calif.
Ashley
Bailey
Bass, N. H.
Baumhart
Bennett, Fla.
Bennett, Mich.
Blatnik
Boggs
Boling
Bolton, Frances P.
Bolton, Oliver P.
Boyle
Brown, Ohio
Buckley
Burnside
Cannon
Carnahan
Celler
Christopher
Clark
Coon
Cooper
Davidson
Delaney
Dempsey
Diggs
Dixon
Dollinger
Dondero
Donovan
Doyle
Elliott
Evins
Fallon
Fascell
Fernandez
Fine
Forand
Frelinghuysen
Gentry
Gordon
Gray
Gregory
Griffiths
Hale
Hays, Ark.
Hays, Ohio
Hayworth
Hébert
Holmes
Holtzman
Hull
Ikard
Jennings
Johnson, Wis.
Jones, Mo.
Karsten
Kean
Kelly, N. Y.
Keogh
Kilday
King, Calif.
Klein
Kluczynski
Lesinski
McCarthy
McCormack
McCulloch
McGregor
Machrowicz
Mack, Wash.
Mailliard
Matthews
Metcalf
Miller, Calif.
Mills
Minshall
Moss
Multer
Murray, Ill.
Norblad
O'Brien, Ill.
O'Neill
Patman
Pfost
Polk
Powell
Price
Priest
Prouty
Rabaut
Reuss
Rodino
Rooney
Schenck
Scherer
Scudder
Sheppard
Short
Sieminski
Sisk
Steed
Teague, Tex.
Thomas
Thompson, N. J.
Thompson, Tex.
Thornberry
Tollefson
Trimble
Tumulty
Udall
Vanik
Wainwright
Williams, N. J.
Willis
Yates
Young
Zablocki
Zelenko

NAYS—292

Abbitt
Abernethy
Adair
Alexander
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Andrews
Arends
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Baker
Baldwin
Barden
Barrett
Bass, Tenn.
Bates
Beamer
Becker
Belcher
Bell
Bentley
Berry
Betts
Blitch
Boland
Bonner
Bosch
Bow
Bowler
Bray
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brownson
Broyhill
Budge
Burdick
Burleson
Bush
Byrd
Byrne, Pa.
Byrnes, Wis.
Canfield
Carlyle
Carrigg
Cederberg
Chase
Chatham
Chelf
Chenoweth
Chudoff
Church
Clevenger
Cole
Colmer
Cooley
Corbett
Coudert
Cramer
Cretella
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Dawson, Utah
Deane
Denton
Derounian
Devereux
Dies
Dodd
Dolliver
Donohue
Dorn, N. Y.
Dorn, S. C.
Dowdy
Durham
Edmondson
Ellsworth
Engle
Feighan
Fenton
Fino
Fisher
Fjare
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frazier
Friedel
Fulton
Gamble
Garmatz
Gary
Gathings
Gavin
George
Granahan
Grant
Green, Oreg.
Green, Pa.
Gross
Gubser
Hagen
Haley
Halleck
Hand
Harden
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Henderson
Herlong
Heselton
Hess
Hiestand
Hill
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holt
Hope
Horan
Hosmer
Huddleston
Hyde
Jackson
James
Jarman
Jenkins
Jensen
Johansen
Johnson, Calif.
Jonas
Jones, Ala.
Jones, N. C.
Judd
Kearns
Keating
Kee
Kelley, Pa.
Kilgore
King, Pa.
Kirwan
Knox
Knutson
Laird
Landrum
Lane
Lanham
Lankford
Latham
LeCompte
Lipscomb
Long
Lovre
McConnell
McDonough
McDowell
McIntire
McMillan
McVey
Macdonald
Mack, Ill.
Madden
Magnuson
Mahon
Marshall
Martin
Mason
Meader
Merrow
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mollohan
Morano
Morgan
Morrison
Moulder
Murray, Tenn.
Natcher
Nelson
Nicholson
Norrell
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
Osmers
Ostertag
Passman
Patterson
Pelly
Philbin
Phillips
Pilcher
Pillion
Poage
Poff
Preston
Quigley
Rains
Ray
Reed, Ill.
Rees, Kans.
Rhodes, Ariz.
Rhodes, Pa.
Richards
Riehlman
Riley
Roberts
Robeson, Va.
Robsion, Ky.
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Roosevelt
Rutherford
Sadlak
St. George
Saylor
Schwengel
Scott
Scrivner
Seely-Brown
Selden
Sheehan
Shuford
Sikes
Siler
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Spence
Springer
Staggers
Sullivan
Taber
Talle
Taylor
Teague, Calif.
Thompson, La.
Thompson, Mich.
Thomson, Wyo.
Tuck
Utt
Van Pelt
Van Zandt
Velde
Vinson
Vorys
Vursell
Walter
Watts
Weaver
Westland
Wharton
Whitten
Wickersham
Widnall
Wier
Wigglesworth
Williams, Miss.
Williams, N. Y.
Wilson, Calif.
Wilson, Ind.
Winstead
Withrow
Wolcott
Wolverton
Wright
Younger

NOT VOTING—19

Anfuso
Boykin
Buchanan
Chiperfield
Dingell
Eberharter
Gwinn
Hardy
Hillings
Kearney
Kilburn
Krueger
Mumma
Perkins
Radwan
Reece, Tenn.
Reed, N. Y.
Rivers
Shelley

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Dingell for, with Mr. Boykin against.

Mr. Anfuso for, with Mr. Eberharter against.

Until further notice:

Mr. Rivers with Mr. Chiperfield.

Mr. Shelley with Mr. Hillings.

Mr. Hardy with Mr. Radwan.

Mrs. Buchanan with Mr. Reece of Tennessee.

Mrs. GREEN of Oregon, Mr. BROOKS of Louisiana and Mr. HYDE changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, 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 and a joint resolution of the House of the following titles:

H. R. 3822. An act to amend title V of the Agricultural Act of 1949, as amended; and

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

MUTUAL SECURITY APPROPRIATION BILL, 1956

Mr. PASSMAN. 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. 7224, the mutual security appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill H. R. 6382, the Foreign Claims Settlement Commission bill, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file reports on the following bills: H. R. 3653, H. R. 4376, H. R. 4581, H. R. 5249, H. R. 6122, H. R. 6595, H. R. 7012, H. R. 7054, H. R. 7095, and H. R. 7364.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONSTRUCTION OF SURVEYING SHIPS FOR COAST AND GEODETIC SURVEY

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 847) to authorize construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina explain the bill?

Mr. BONNER. Mr. Speaker, these two ships are to be built for the Coast and Geodetic Survey. The Coast and Geodetic Survey is now operating with 5 ships, 1 of which is 24 years old, another 37 years old, and the other 3 range in about that category.

The Coast and Geodetic Survey has not had a vessel built since sometime before the war, and only recently off the coast of Maine they had to use a vessel sent from the Pacific to do certain chart work necessary for the fishing fleet. The charting of the ocean shore south of the Virginia Capes is ancient; the chart has not been made there in many many years. These charts are similar and in the category with highway maps and are necessary to navigation on the high seas and inland waterways. There is no objection to the bill that I know of.

Mr. MARTIN. Was it reported unanimously by the committee?

Mr. BONNER. It was reported out of the Committee on Merchant Marine unanimously.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Maine.

Mr. HALE. May I ask the gentleman from North Carolina if this is not substantially the bill which was introduced by Senator PAYNE, of Maine, in the other body?

Mr. BONNER. That is my understanding, and the gentleman from Maine [Mr. HALE] appeared before the Merchant Marine Committee in behalf of the bill.

Mr. MARTIN. I understand about that bill and think it is a meritorious bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. GROSS. Does this provide for building ships?

Mr. BONNER. It provides for the building of two ships at a cost of $3,700,000.

Mr. GROSS. The question I want to ask is whether they are to be built in American shipyards or British shipyards?

Mr. BONNER. They will be built in American shipyards by American labor and of American materials.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be constructed for the Department of Commerce two surveying ships of not over 2,500 displacement tons each, under a limit of cost of $3,700,000 each, including costs of preparation of plans and specifications, cost of inspection during construction, and purchase or construction of complete equipment and outfit: *Provided*, That such limit of cost may be exceeded or shall be reduced by an amount equal to the percentage increase or decrease, if any, in ship construction cost generally dating from January 1, 1955, as determined by the Secretary of Commerce.

SEC. 2. There is hereby authorized to be appropriated to the Secretary of Commerce, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING JULY 28

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

Mr. HESELTON. Mr. Speaker, reserving the right to object, may I inquire of the majority leader whether it is the intention of the leadership to ask the House to meet at 10 o'clock on Friday and Saturday of this week?

Mr. McCORMACK. That probably might possibly be the case on Friday. I would not want to project my mind as far ahead as Saturday. I say "probably."

Mr. HESELTON. Can the majority leader indicate to the House his idea of adjournment at this time?

Mr. McCORMACK. That depends on what may occur in the next day or two. I would say we can reasonably expect to do so by next Tuesday or Wednesday. That would be my best guess. That is guesswork, of course, and anybody can guess as well as I can.

Mr. HESELTON. The leader feels it is necessary to come in at 10 o'clock tomorrow morning?

Mr. McCORMACK. I am making such a request.

Mr. GROSS. Mr. Speaker, reserving the right to object, is it now proposed, in view of the vote this afternoon in the House, to make a trial run of this natural-gas bill?

Mr. McCORMACK. The Natural Gas Act will be the first order of business tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 2254 OF TITLE 28 OF THE UNITED STATES CODE

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 318, Rept. No. 1466), 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. 5649) to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court. 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 the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING MODIFICATION OF EXISTING PROJECT FOR THE GREAT LAKES CONNECTING CHANNELS ABOVE LAKE ERIE

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 319, Rept. No. 1467), 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. 2552) to authorize the modification of the existing project for the Great Lakes connecting channels above Lake Erie. 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 to final passage without intervening motion except one motion to recommit.

AUTHORIZING THE COMMITTEE ON EDUCATION AND LABOR TO CONDUCT CERTAIN STUDIES AND INVESTIGATIONS

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 316, Rept. No. 1468), which was referred to the House Calendar and ordered to be printed:

Resolved, That House Resolution 154, 84th Congress, is amended by striking out the words "within the United States" where it appears in said resolution and inserting in lieu thereof the words "within the United States, its Territories and possessions, and the Commonwealth of Puerto Rico."

AMENDING DEFENSE PRODUCTION ACT OF 1950

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 320, Rept. No. 1469), 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. 7470) to amend the Defense Production Act of 1950, as amended. 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 Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING CONSTRUCTION OF THE MISSISSIPPI RIVER - GULF OUTLET

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 321, Rept. No. 1470), 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. 6309) to authorize construction of the Mississippi River-Gulf outlet. 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 to final passage without intervening motion except one motion to recommit.

THE ALASKA RAILROAD

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3338) to amend section 1 of the act of March 12, 1914, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out lines 5 and 6 and insert "is amended by striking out 'but no lease shall be for a longer period than 20 years', and inserting in lieu thereof 'but no lease of such railroad or railroads shall be for a longer period than 20 years and no other lease authorized in this act shall be for a longer period than 55 years'."

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. H. CARL ANDERSEN. Mr. Speaker, reserving the right to object, will the gentleman inform the House as to what the Senate amendment is?

Mr. ENGLE. Mr. Speaker, this is a bill amending the act relating to the operation of the Alaska Railroad. The Alaska Railroad was authorized under that act to lease certain of its properties for not to exceed 20 years. They lease certain warehouse facilities and other industrial properties in connection with their operation. For the purpose of facilitating their banking they want the power to lease for 55 years, which was permitted in the House bill that was on the Consent Calendar and passed.

The Senate amendment makes it plain that we only permit the leasing of railroad facilities for 55 years and not the railroad itself; therefore, the Senate amendment is a qualifying amendment and the House committee has agreed to it.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. FEIGHAN asked and was given permission to address the House today for 5 minutes, following any special orders heretofore entered.

Mr. QUIGLEY asked and was given permission to address the House for 15 minutes on tomorrow, following any special orders heretofore entered.

PAY TV OR FREE TV?—WHY NOT BOTH?

Mr. LANE. 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. LANE. Mr. Speaker, the Federal Communications Commission is pondering the question "Should subscription television be permitted to compete with free television?"

There is no toll, or fee, or tax on the programs that now come to your television screens.

The great expense of paying for the high-class talent that comes into your homes is borne by American business. In return, and via the medium of brief advertising messages, private enterprise is able to sell more of its products and services to you, thus securing the revenue with which to support free television and to make a profit over and above these large costs.

Now it is proposed that we should also have subscription television, whereby you would pay a fee for each special program that you would choose to see.

The large networks, dependent as they are upon the revenue derived from sponsors, are lining up against pay-as-you-see television. While the smaller stations and the public seem to favor it.

Both sides are able to put up a good case.

In brief, those who advocate free TV—with commercials—point to the fact that since the end of World War II, television has grown from infancy to a robust adolescence. It has become an industry in which the American people have invested more than $10 billion for 36 million sets. The annual volume of television advertising, set sales, servicing and operating, runs close to $4 billion per year. All under the traditional American broadcasting policy of freedom to listen, and freedom to look.

Advertisers do not hesitate in spending large sums of money to bring the best in entertainment to a mass audience.

Under the present system, the broadcasters themselves, at their own expense and as a public service, present addresses by the President, and National, State, and local government officials. They also present, as a public service, educational, religious, operatic, and other cultural programs. Many of these programs have limited audience appeal, and are not sponsored. The broadcasters bear the very substantial cost of presenting these unsponsored public service programs, including interconnection charges and refunds of revenue to sponsors whose programs have to be canceled to make room for free public affairs programs.

If the pay television promoters should be successful, the more than 8 million people living in single station areas would be deprived of all free television service whenever pay television programs were broadcast. These 8 million people would be forced to contribute to the cash boxes of the pay television promoters for their TV programs, or have none at all. Low-income groups would be denied some of the entertainment that they are getting today.

On the other hand, those who favor pay TV, claim that under the fee system, the public will be able to get much better programs than they have been getting on an advertising sponsored basis. They maintain that the public is entitled to the best—not the worst—that Hollywood and Broadway can create. They propose to supplement with great box-office programs the present continuous stream of 20-year-old horse operas and other hackneyed programs that now fill in most of the short spaces between the long commercials.

Proponents of pay-as-you-see television maintain that you now take what the big broadcasters and big advertisers send you or nothing at all. You are given no choice. Everything is pitched to the lowest common denominator in order to reach a mass market. All parents want good programs available for the enter-

tainment and instruction of their children, for instance, but they also want a few adult programs for their own enjoyment. And there are grownups who want the opportunity to see something better than get-rich-quick programs.

Supporters of pay TV brand as ridiculous the charges that the new system would take over advertising sponsored programs. To spike this propaganda, they are asking the FCC to adopt a rule that no station can use more than 15 percent of its operating time on subscription TV.

To my way of thinking, each system has merits.

There is room for both, and a compromise can be worked out to provide a complete and well-rounded television service to the public.

Neither regimented nor exclusive.

The American people should have access to quality entertainment as well as quantity entertainment.

They are entitled to some freedom of choice.

THE MILITARY RESERVE BILL

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, according to the New York Times, in his testimony before the other body on the Reserve bill recently adopted by the House, Admiral Radford is quoted as stating, in effect, "They would rather have no new program for building up trained and Ready Reserves than the one adopted by the House of Representatives July 1."

I presume that the admiral was speaking for the Joint Chiefs of Staff, rather than for the Navy Department, which has stated time and time again that it was able to mobilize its own Reserve and did not need additional enabling legislation. The same is true of the Air Force and the Marine Corps. None of these services need this bill to build their Reserve. They have set up and are maintaining their own Reserve systems based on the 1952 Reserve bill and their own traditional policies.

Only the Army, which has made no real effort to implement the 1952 Reserve bill, is pleading for this legislation.

The adherents of UMT, who urge compulsion as a basis for the solution of military manpower problems, are pressing vigorously for this bill. For them, the bill does not go far enough in regimenting American youth.

This Congress has repeatedly rejected UMT, and I do not believe that a straight UMT bill could pass this House at the present time. Building the Reserve up to almost 3 million in 4 years will create new and difficult problems. It will entail great expense. The proponents admit that it will cost about $2 billion a year, but if we are to judge by past experience of military costs, this figure may well be doubled. It could easily go to $3 billion a year.

In due course, the bill will require a huge, nationwide armory-building program so that in a few years we will have Reserve armories spotted all over the country. Authorizations for this program are already pending. They have cleared the House Armed Services Committee. Then the Reserve armories will inevitably come to a dominant position over the National Guard, which has to build its armories, under State programs, on a Federal matching basis and cannot avail itself of the elements of compulsion in this legislation to build up its forces. None of the manpower mobilized by this bill is required to be channeled into the National Guard.

The National Guard is the worthy successor of the former militia, which has been a tradition in our country for over a century and a half. In every war this valiant force has stood the Nation in good stead. It has been comprised of fine, strong, young Americans, always schooled in their own communities in love of country, willingness to bear arms, and trained to defend it. In every war, the National Guard, the militia, so-called, has borne the brunt of the original attack, and contributed greatly to victory, and it did not require UMT or similar compulsory systems to organize this great force of loyal Americans.

When this Reserve bill gets into operation, for the first time in our history, the National Guard will lose its place and in time it is bound to diminish in size and importance and probably in the end lose its identity in a large Reserve system. I am such a strong supporter of the National Guard that I would never vote, under any circumstance, to dismantle it, or minimize its importance, because I think that it should always have its prominent place in our military system and our civilian defense and cannot and should not be relegated to any back seat in the Pentagon military chariot.

Another point I would like to make regarding this bill concerns its effect on American boys, who are drafted and then after 2 years service are required to serve 3 additional years in the Reserve. There are some escape provisions of a limited nature in the bill but, nevertheless, it is certain that under its operation a great many boys will fall into the category wherein they will be compelled to serve for 5 years of total active and Reserve service.

To my mind, this is not defensible or justifiable. When a boy has been drafted, taken by military decree away from his family, his home, his school or his job for 2 years and sent into foreign lands to serve, in a great many instances, under conditions of privation and hardship, that boy in peacetime should be absolved of further compulsory service. There is no justification for requiring him or any boy who has served 2 years to attend drills miles away from his home—in fact, for many it will be virtually impossible—and give up summer vacations in order to fulfill their military obligation, so-called.

How can an ordinary boy at school or at work take the alternative of serving 30 days of active service without seriously disrupting his life? Yet, if he does not comply with the law, under the bill, he may be court-martialed and inducted for service against his will. This is not an American method. This is the method that has caused every great nation in history, which has followed it, to go down in bitter, humiliating defeat. The Maginot line with its drafted millions did not save France, the Hitler conscripts did not save Germany and compulsory military service in peacetime is no adequate guaranty for the United States. Nor is it consonant with our free way of life.

This country needs a professionalized Army, organized with regard to modern aircraft, weapons and techniques—the atom-hydrogen bombs, guided missiles, rockets and biological agents. An Army trained in close-order formations by correspondence school methods, drilling once a week, would be a woeful and wanton failure in modern military operations. Yet this bill moves in that direction.

Even the incentive provisions of the bill are discriminatory and unfair. Incentives are provided and then limited by quotas. For example, a man, who has been drafted and serves 1 year and then tries to transfer to a Ready Reserve unit in order to escape further active service, may very well find that the quota is exhausted and the door is closed to him.

Under the bill, some boys, who enlist between 17 and 18½ years of age, are obligated for a total period of 8 years, or under an alternative for overall active and Reserve service until they are 28 years' old.

It should be noted that the original bill presented to this House has undergone changes that have made it unrecognizable. As the New York Times points out:

> First, the Senate and House began to compromise with the White House. Then they started to compromise with each other.

While the segregation issue has been adroitly sidestepped in the bill, it has left in its trail a smoldering resentment as yet fully unexpressed. It leaves lasting scars of bitterness long after the Nation's armed services have implemented the principle of integration.

Let me reiterate what I have stated so many times. Let us build strong professional Armed Forces rather than militarizing all our young men. We should immediately move to strengthen our Air Force, revamp the Army, reimplement the Navy, Marine Corps, and Coast Guard on a truly professional basis.

There has been serious question raised about the present strength of our Air Force, for example, on a comparative basis with the Soviet. Undoubtedly, our Air Force has great striking power and the capacity to deliver atomic-hydrogen weapons. That fact is well known to the Soviet and has unquestionably deterred aggressive measures. But why should we be trifling with building up puny, inadequate, unprofessional Reserve forces at this time, when our airpower is being challenged, and when it is believed by some that the Soviet is catching up to us rapidly in all categories of military strength.

If there is any doubt about our Air Force, it should be resolved fast, and that vital force should be brought to

greatest and overwhelming strength with utmost speed.

Every military man, indeed every well-informed civilian, knows that we cannot match the Soviet with manpower. The Soviet has access to huge mobilized manpower pools far beyond our capacity to rival. We can and must rely upon other factors for military strength, namely, the excellence and superiority of our scientific development, modern technology, and high-speed effective mass productivity. Our greatest and most potent ally is our highly developed economy, which neither the Soviet nor any other nation in the world can match at this time. The armed services should capitalize to the fullest on this great national asset, and I think much more must speedily be done in this direction.

How long we can keep ahead, scientifically and technologically, in this struggle with world communism, I would not venture to predict because startling changes are occurring, and the Soviet now possesses many of our top secrets and many of our industrial and scientific techniques. Perhaps, in addition, they have some that we do not possess. But our great problem is to maintain and broaden our superiorities and advantages.

These questions are all paramount and their solution should be vigorously approached by the Congress. In fact, it is nothing short of shocking, after the many billions we have spent on defense in the past 10 years, that there should be any question raised now concerning the comparative striking power of our Air Force and the efficiency of other military components. It is plain to me that, if we are deficient in any category of armed strength, something is sorely lacking in our approach and overall program.

Congress does not fulfill its complete obligation, under the Constitution, by appropriating money for the military. Congress holds the purse strings, to be sure, but it also should observe and check the expenditures and make certain that the huge funds it appropriates are not wasted or extravagantly expended but used for the purposes intended. It is our sworn duty to get fair and full return for every dollar of the taxpayers' money which we appropriate.

Moreover, we must never overlook our responsibility for raising armed forces and providing for the common defense. That is our constitutional duty imposed upon us by the great charter of our liberty. It has broadest significance. It directs us to assume responsibility, not only for the adequacy, but for the kind of defense forces. It puts upon us above all to see to it that these forces are not only sufficient, but properly organized, adequately implemented and able to provide maximum defense and maximum striking power to protect the national security and to cope with world developments that may affect it at any time.

It would be well for us, before adjourning the Congress, to appraise whether we have accomplished these ends; to what extent, if in any significant way, we have provided for professionalized armed forces. To what extent our present forces may be in any respect inadequate. Can they do the job that may be required of them? What about the leadership? What about the Joint Chiefs of Staff? What about the huge bureaucratic secretariat of the Defense Department? Is that functioning? How has it handled its procurement problems? What effect are its procurement policies having on the economy, on small business, on overall military efficiency? These are some of the questions that are of great interest to the American people and we have the responsibility of trying to answer them.

Above all we should not delay our solutions of armed forces problems because they are vital to our national existence in this perilous world. Let us stop dealing with trifles and nonessentials and get down to the business of installing efficiency, effectiveness, professionalism, and high morale into all the armed services. Then we will have moved truly to provide for the national defense in this dangerous era.

Under unanimous consent, I extend my remarks and include therein a recent New York Times article quoting Admiral Radford on the Reserve bill:

RADFORD PREFERS NO RESERVE BILL OVER HOUSE PLAN—WARNS OF NEED TO REORIENT DEFENSE IF EISENHOWER'S PROPOSALS ARE CHANGED

(By C. P. Trussell)

WASHINGTON, July 11.—Ranking military spokesmen told Congress today that they would rather have no new program for building up trained and Ready Reserves than the one adopted by the House of Representatives July 1.

Yet, said Adm. Arthur W. Radford, Chairman of the Joint Chiefs of Staff, if the authority required to build the present Ready Reserve from 800,000 to 2,900,000 in 4 years is not provided, there will have to be a complete review and reorientation of national defense planning.

The program now is before the Senate Armed Services Committee. It is in a form that largely modifies the administration's recommendations. It also is embroiled in controversy over its compulsory requirements for veterans. Those entering service after the Korean armistice of July 27, 1953, are obliged to assume added Reserve training obligations.

However, Admiral Radford told the committee that no drastic reduction of the standing strength of the armed services was planned by the high military command if Congress adopted the Reserve program favored by the Eisenhower administration.

RUSSELL TELLS OF RUMORS

Senator RICHARD B. RUSSELL, the Georgia Democrat heading the panel, said he was glad of this assurance. He mentioned hearing rumors that the administration might cut the defense budget up to $7 billion next year should the Reserve bill become law. The current year's budget is $31,882,000,000.

Senator RUSSELL has proposed a voluntary Reserve program under which veterans, needed as a "hard core" of the Reserves, would get a $400 bonus for signing up for continued weekly drills and summer camps.

NO RECOGNITION FOR CHINESE REDS

Mr. PHILBIN. Mr. Speaker, I want to commend the distinguished and very able gentleman from Connecticut [Mr. DODD] for his excellent statement recently appearing in the RECORD on the question of recognition of the Chinese Reds.

He admirably emphasized the salient features of the drive now taking place to effectuate the recognition of the Chinese Reds by this country and also to bring them into the United Nations.

Such action would constitute an ironical hoax upon many valiant Americans, who made the supreme sacrifice in Korea. It would be a travesty upon the service of all the gallant American boys, who struggled and fought in that faraway land under conditions never before imposed upon American fighting forces.

Fighting a modern war is a bloody enterprise and a bitter experience in itself. But when American boys were forced to stand up or lie down before a vicious bloodthirsty enemy under orders not to strike back, not to use all their resources to defeat the enemy, but rather to play a waiting game and let the enemy rain deathly blows upon them without retaliation, that represents one of the worst pages in American military history. In fact, because of this horrifying policy the Korean war is the only war this nation has not won. It is a blot upon the proud escutcheon of American arms placed there by incredible diplomacy.

The idea of permitting the Chinese Reds with their hands literally dripping with American blood to receive recognition by this Nation and to be admitted as a member of the United Nations, which is pledged to world peace and amity, would be a flagrant betrayal of American principles and a gross insult to all American boys who fought in the bitter Korean war.

Congressman DODD made some reference to a very distinguished American, who recently urged that talks be commenced with the Chinese Reds in order to come to diplomatic agreements and institute trade relations. While I greatly respect the gentleman in question to whom Congressman DODD referred, I must express my vigorous dissent from his views. I do not believe that he speaks either for the Democratic Party or the American people.

The bipartisan foreign policy, so-called, is misrepresented and misconstrued in many quarters. It should not be confused with the historic slogan followed by Americans since the institution of this Government that politics end at the water's edge. This expression means in effect that all Americans regardless of race, color, creed or party will stand by our country whenever it is assailed or threatened. It never was contemplated that there should be only one view expressed toward foreign policy.

The whole spirit of democracy is defeated when, by device, subterfuge, or slick methods, American citizens are deprived of an opportunity to express dissent and are prevented from declaring themselves squarely on great pending foreign issues. That is not democracy. It is the antithesis of democracy and to that extent the so-called bipartisan foreign policy is doing a disservice. This idea has been amplified far beyond its original meaning of national loyalty and it has now permeated, not only the Congress, but even the political conventions where in recent years definite steps have been taken to insure that only those holding to certain known views on for-

eign policy could be nominated for highest national offices.

In my opinion the American people are entitled not only to have these great questions debated freely and extensively in the Congress as befits their vital importance, but also to have the opportunity to express themselves at the polls on diametrically opposed viewpoints. This opportunity has been denied them for years now, and we are coming to a situation where foreign policy, even though it is never approved, and may be opposed by large numbers of the American people, is nevertheless given speedy approval by the bipartisan political action.

I am criticizing this situation even though in the past I have supported wholeheartedly international cooperation under qualifications and conditions, however, that would protect the clear interests of our Nation. I do not believe that it is healthy or sound from the strictly American viewpoint, by bipartisan action, so-called, or in any other way, to set up legislative arrangements which make it virtually impossible effectively to question any controversial measure of foreign policy.

The Chinese Reds are still holding many American prisoners of war against the provisions of the truce. Feeble indeed have been the efforts made to secure the release of these hapless American boys. This Government cannot move too fast or too vigorously to secure their release and I hope that measures now underway will be successful at an early date.

The Chinese Reds came into power as a result of one of the greatest conspiracies of history. They came as wolves, though they were portrayed to the American people as sheep asking only simple agrarian reform and not associated with the international Marxist plot to conquer the world for communism. What a foul and great lie. How despicable these gross misrepresentations were. The stark and tragic realities of the hour best illustrate the perfidious nature of that conspiracy.

If British suavity only superficially conceals British national interests, if that nation is acting on the mistaken assumption that it can save Hong Kong and other mercantile outposts in the Far East by going down the road with the Chinese Reds, I most respectfully submit that is their business. They will live to rue the day, I believe, but the fact that they have made a rapprochement with the bloody Chinese Reds certainly is no valid reason why this Nation should follow suit.

To the contrary, we should have our own foreign policy and we should not be tied to the coattails of any other nation. We welcome the cooperation of all friendly nations who are willing to associate to block communism, for the achievement of world peace, and we do not chide them for pursuing their national interests. It must be remembered that we have our own national interests and it is time that they were more fully considered in formulating foreign policy and especially in respect to our attitude toward Red China.

Rather than to consider recognizing additional nations that are bound to the Communist world conspiracy by bands of steel and bloody hands and are a definite functioning part of that unspeakable apparatus warring on our freedom, we might well be considering the withdrawal of recognition from Communist nations who have proved themselves by their acts to be unworthy of association with decent, free, God-loving peoples.

WINKING AT DUCK-BAITING VIOLATION BY THE DEPARTMENT OF THE INTERIOR

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, on June 8, 1955, I called to the attention of this House that we have had an absolute and well-justified Federal ban on shooting ducks over bait ever since 1935; that as reported by former Under Secretary of the Interior Ralph A. Tudor, California bankers and others who were dissatisfied with Federal duck-hunting regulations 2 years ago demanded the appointment of John L. Farley as Director of the Interior Department's Fish and Wildlife Service; that the appointment was made; that thereupon for the past 2 duck-hunting seasons Mr. Farley has permitted 140 duck-hunting clubs in California to shoot ducks lured by wheat and other bait placed as close as 200 yards to the guns; that these violations of the spirit and the letter of the Federal antibaiting laws have infected and demoralized the Federal Fish and Wildlife Service; that gamehogs in other States, notably Ohio and Maryland, have also been brazenly violating the Federal law, and the infection theatens to spread.

MR. FARLEY'S PRESS CONFERENCE

The next day, June 9, Fish and Wildlife Director Farley called a press conference to answer my charges that the Department of the Interior was winking at these law violations in California. Mr. Farley made no attempt to deny that the Department had in fact allowed the 140 California club owners to bait ducks 200 yards from the guns. His sole defense was that this was done not in response to a corrupt deal with the California club owners, but as a way to keep ducks off the ripening crops of California farmers. The Associated Press story of the conference, dateline June 9, gives the gist of Mr. Farley's defense:

> Director Farley also took up Mr. Reuss' other main point—that California duck hunters are openly shooting ducks that have been lured by grain placed as close as 200 yards to the guns.
>
> Mr. Farley said California is a special case, since ducks fly there during the growing season and destroy crops, such as rice and lettuce.
>
> "Because of this," he said, "an experiment has been going on there for the last 2 years allowing duck-hunting clubs to lay out feed 200 yards away to keep the birds away from the crops."
>
> Asked whether this has not resulted in wholesale killing of ducks in California, Mr. Farley said the results of the experiment have been inconclusive. He added:
>
> "Frankly, I don't think we've learned much."

THE LOSTETTER REPORT

One thing Mr. Farley didn't mention at the June 9 conference was an official report of March 21, 1955, by Clinton H. Lostetter, biologist of the United States Fish and Wildlife Service, which was entitled "Report on California Waterfowl Feeding Regulations, 1954," and filed with the Department. Mr. Lostetter, Department biologist assigned to the California area, had the duty of investigating whether the Department's concession to the California club owners was in fact helping the California farmers in any way to prevent depredations to their crops.

Mr. Lostetter concluded that the Department's California duck-baiting program was a fraud, in that it gave away our waterfowl resources to California pressure groups without in any way benefiting the California farmer. After a 5-month study of the situation on the spot in California, Mr. Lostetter concluded that the Department's program was "a deceptive maneuver by the duck clubs through administrative channels to get legalized baiting—a disguised attempt to circumvent Federal regulations. Depredations have been used as a ruse to allow feeding on the clubs rather than for the farmers' benefit. I recommend that the California regulation be abolished."

SECRECY IN THE INTERIOR DEPARTMENT

It seemed to me, Mr. Speaker, that Congress and the American people ought to have an opportunity to look at the Lostetter report. For that reason, on July 18, 1955, I wrote the Honorable EARL CHUDOFF, chairman, Subcommittee on Public Works and Resources, House Committee on Government Operations, the following letter:

> DEAR CONGRESSMAN CHUDOFF: Confirming our discussion on the floor today, I shall much appreciate it if you will request from the Department of the Interior the following two reports:
>
> 1. Report on California waterfowl feeding regulation, 1953.
>
> 2. Report on California waterfowl feeding regulation, 1954 (report dated March 21, 1955).
>
> Both reports are by Clinton H. Lostetter, biologist, United States Fish and Wildlife Service.
>
> I should appreciate being notified when these two reports are in the hands of the committee.
>
> Sincerely,
>
> HENRY S. REUSS,
> *Member of Congress.*

The subcommittee staff on July 19 made a formal request to the Department of the Interior for the Lostetter report. From day to day they were promised that the report would be in their hands momentarily. Finally, at noon today, since the Department of the Interior had not yet delivered up the report, Mr. CHUDOFF telephoned Assistant Secretary of Interior Orme Lewis, and renewed the request. Assistant Secretary Lewis then, for the first time, refused to yield up the report.

WHY THE REPORT IS BEING SUPPRESSED

Mr. Speaker, I suggest that the reason the Department of the Interior refuses to let the Congress and the public look at the Lostetter report is that the report shows up the Department's duck-baiting giveaway for the fraud that it is. It shows that the Department of the Interior is mortgaged to the California club owners. It shows why Fish and Wildlife Director Farley suppressed mention of the report when he invited in the press on June 9 to explain the Department's position.

The reason the Department of the Interior will not produce the Lostetter report is because its production would cause the Department's duck-baiting program to collapse.

OTHERS AGREE WITH LOSTETTER

In addition to the Lostetter report, abundant evidence outside the Department of the Interior exists to show that the California duck-baiting program is a farce as far as preventing crop depredation is concerned. Here is what Dr. Ira N. Gabrielson, president of the Wildlife Management Institute of Washington, D. C., had to say on May 24, 1955, in a talk before the National Citizens Planning Conference on Parks and Open Spaces for the American People in Washington:

> The California experimental feeding program has now been in effect for 2 years. Following the first year's operation, there was widespread criticism of the manner in which it had been carried out. A review of the information furnished by the California Department of Fish and Game does not indicate that the program has improved materially in its second year's operation and that it has had little value in reducing depredations, the chief reason given in justifying it.
>
> In the first year, 141 clubs were licensed to feed and this year 140 clubs actually participated. The real depredations on the rice and other grain crops in California normally come before the hunting season, and feeding before the hunting season is probably the major contribution that this feeding program could possibly make. Reports indicate that in 1953, slightly under 20 percent of the total amount of feed provided was used prior to the hunting season; while in 1954, it was slightly over 20 percent. The total amount of food so provided is not great enough to provide any significant part of this food supply for waterfowl reported from California at that season, and it appears certain that, as far as reducing depredations is concerned, this has not been a conspicuous success.

SECRETARY MUST DECIDE

It should be noted that the baiting occurs only where the club owners wish to bait, not where it will do the most good to lure the ducks away from the farmers' fields. Baiting occurs not at the time when the depredations are greatest, but very largely during the open season when the baiters can shoot the ducks. Finally, shooting over baited areas means that the ducks tend to be driven right back to the farmers' fields, instead of being allowed to come in to feed over areas closed to shooting.

Next month, in August, it is up to the Department of the Interior to issue its regulations for the 1955 shooting season. The Secretary of the Interior will then have to stand up before the Nation and announce whether he is going to permit these California duck clubs once again to flout the Federal antibaiting laws.

USE OF SURPLUS GRAIN

There is no reason why the Department of the Interior cannot solve the problem of depredations by waterfowl to farmers' crops—and surely the Department, as custodian of our waterfowl resources, is responsible for solving this problem—without turning our waterfowl resources over to the tender mercies of the gamehogs who shoot over baited blinds.

In order to prevent crop damage by migratory waterfowl without killing off the waterfowl, I have today introduced for appropriate reference a bill which will permit the Secretary of the Interior to requisition surplus wheat no longer desirable for human consumption from the vast stocks of the Commodity Credit Corporation. As a result of the wheat price-support program for the last 5 years the CCC now has in storage more than 1 billion bushels of wheat, or enough to take care of the entire domestic needs for wheat for more than 60 years. Much of this wheat is now stored on the west coast, in Oregon, near to the areas of duck depredation. Much of this wheat has so deteriorated that it is no longer desirable for human consumption. In the first 6 months of 1955 the CCC disposed of 4 million bushels of wheat from its warehouses which had either spoiled or was in danger of spoilage. Out-of-condition wheat is extremely attractive food for ducks, and guaranteed to lure them away from depredations on farmers' crops.

MUCH WHEAT AVAILABLE

Under the bill which I have introduced, the Secretary of the Interior would make such grain available to Federal, State, and local agencies, and to private persons and organizations, for the purpose of feeding ducks without, of course, shooting them, and thus luring them away from farmers' crops. The feeding program could be carried on wherever ducks are bothering farmers, whether in the open season or out of the open season.

The amount of deteriorated wheat now held by the CCC is vastly in excess of what would be required for such a feeding program. For example, if each of the 140 duck-hunting clubs in California which are now shooting over bait disposed of 100 bushels of wheat a season, this would be a total of 1,400 bushels. It is estimated that there are at least 500,000 bushels of CCC wheat now either deteriorated or in imminent danger of deteriorating. This includes "sick" wheat, and wheat containing weevils or rat pellets. The most massive and adequate duck-feeding program imaginable, therefore, would hardly be a dent in the stock of deteriorated wheat now held by the CCC.

BILL WILL SAVE FARMERS FROM DUCKS, DUCKS FROM CLUB OWNERS

Enactment of this bill will save the California rice and grain farmers from the ducks. At the same time, it will save the ducks from the California club owners who have been shooting them over baited blinds. It will provide a useful outlet, at no cost to the taxpayers, for CCC wheat which would otherwise go to waste. It will save further storage costs, and relieve already bulging warehouses. It will stop the growing disregard for Federal law, and the consequent demoralization of the Fish and Wildlife Service, which the Department of the Interior is fostering when it winks at duck baiting.

Mr. Speaker, I hope that the Department of the Interior will come to its senses and call off this vicious duck-baiting program. I hope it will restore the morale of its Fish and Wildlife agents by encouraging them vigorously to enforce the antibaiting law. I hope it will press for enactment of the bill I have today introduced to prevent depredations to California farmers. And I hope it will stop kidding the press and the public by continuing to suppress evidence of its own mishandling of our priceless migratory waterfowl resources.

MEETING AT THE SUMMIT

Mr. ZABLOCKI. 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 Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I take this time in order to call to the attention of the membership a report from France saying that Premier Faure had disclosed today that the last-hour proposal by President Eisenhower had broken the deadlock at the Geneva Conference and insured its success. I am not saying, Mr. Speaker, that in order to have a successful conference there must not be secret negotiations, but we were advised repeatedly that there were no secret concessions at the summit. I quote from this article:

> The secrecy of the final conference session prevented M. Faure from explaining just what the items were that deadlocked the conference or what Mr. Eisenhower proposed, in order to break the deadlock.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Does the gentleman not believe that it would be better for us to continue our foreign policy by open covenants openly arrived at, as fully enunciated by President Wilson?

Mr. ZABLOCKI. It is my opinion that open covenants are preferable, but I am sure the gentleman will admit that they cannot be arrived at in open negotiations and agreement.

Mr. Speaker, the article further states that—

> President Eisenhower said he was going to put an end to the discussion because the conference had to succeed, that he was thus going to make a concession, and that the important thing was to keep the spirit of the conference afterward so that good results could be reached.

Further, M. Faure referred briefly to what he called another deeply moving

moment of the final restricted session of the chiefs of government. This also took place on Saturday, he said, when Mr. Eisenhower spoke about the future of the world in the little room where the chiefs of government had withdrawn. I hope that this report is in error in this respect—that the first concession was made by President Eisenhower, because I would like to believe that President Eisenhower and Secretary of State Dulles have accurately reported to the Congress and the people on the recent meeting at the summit.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

GENERAL LEAVE TO EXTEND

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the road bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAMER. Mr. Speaker, I have again gone to the people for counsel and advice in another Cramer citizens' poll before voting on a measure that would vitally affect their homes and lives. By telephone I made a poll sampling opinion of the entire First District of Florida in an effort to determine the wishes of my constituents on the subject now before us and asked that they express their opinion to me as to the method they preferred of financing the proposed highway program.

In my telephone poll both methods of proposed financing—the President's pay-as-you-use bond-issue program and the committee tax measure that would provide pay-as-you-go financing—were stated.

The question asked was: "As you know, there is a proposal before Congress to authorize a Federal road-building program at a cost of $36 billion. It is generally agreed this program is needed. The construction period of the program extends over 10 to 15 years. How would you suggest paying for this program? First, pay-as-you-use, as suggested by President Eisenhower, involving no additional taxes and a bond issue with interest of $11 billion over a 30-year period; or, second, pay-as-you-go plan, with additional taxes now of $12 billion extending over a 15-year period, principally being an additional 1-cent-per-gallon increased gasoline tax, 2 cents additional on diesel fuel, added taxes on trucks and busses and large tires, exempting off-the-road users?"

The result of that poll was 77.72 percent in favor of the President's program and 22.27 percent in favor of the committee bill tax-payment plan.

This poll was taken through telephone poll captains disbursed throughout the district, who called indiscriminately people in the area. In a period of a few short hours over 2,000 people had been personally contacted and asked the question involved, and, as the figures show, the result was decisive. It is important to note that the poll was taken on the morning of the day the House voted on the measure and after full publicity had been given the matter and my office was advised of the results in the early afternoon.

It appears that the poll clearly indicates that the people of the First District of Florida do not look kindly upon, nor are they willing to accept, additional taxes at this time, even for such a worthy project as this highway bill.

I supported the Eisenhower proposal in the Dondero bill, which would have provided an adequate road system without additional taxes only after due and deliberate consideration which, of course, I had an opportunity to make after some 11 weeks of the hearings before the Public Works Committee of which I am a member. I supported this plan in committee, feeling all along that the temperament of this Congress was not one to accept additional taxes at this time and that this reflected the feeling of the people all over the country. It was my sincere effort to work for a bill that had a reasonable chance of passage and that would accomplish the much-needed highway construction purpose.

I believe that such a poll as has been taken in this instance reflects a good cross section of opinion in my district, and after lengthy consideration I felt obligated to vote consistent therewith.

THE GENEVA CONFERENCE

Mr. HALLECK. 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 Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, with respect to what has just been said about the report relative to the Geneva Conference, certainly there was nothing said in that report that would in any way indicate that any secret agreement was made. As far as I am concerned, when President Eisenhower assured the American people and all of us that no such secret agreements were made, I believed him, and until something else is disclosed other than some insinuation about some report from the French Minister then in attendance, I think we ought to go along with the proposition that no such secret agreements were made, because so far as I am concerned, none were made.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Minnesota.

Mr. JUDD. The story from which the gentleman from Wisconsin read does not say any secret agreements were made. Such an implication was given, but the story itself does not say so.

Mr. HALLECK. Any attempt to read into the record insinuations of that kind does a disservice to the welfare of the country.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield for a mere correction?

Mr. HALLECK. Yes.

Mr. ZABLOCKI. I did not state I thought there were secret agreements made, but there were secret negotiations.

Mr. JUDD. Nobody ever denied there were secret negotiations. That was reported openly in the press.

Mr. HALLECK. The gentleman used the words secret agreements.

The SPEAKER. The time of the gentleman has expired.

SPECIAL ORDER GRANTED

Mr. MARSHALL asked and was given permission to address the House for 20 minutes on Monday next, following the legislative program and any special orders heretofore entered.

LIBERIA'S CENTENNIAL

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 30 minutes.

Mr. POWELL. Mr. Speaker, I rise today to send greetings to the country of Liberia, which is today celebrating its centennial, and to salute His Honor, the President, William V. S. Tubman, who was recently reelected, and to extend our congratulations to the Ambassador of Liberia, Mr. Simpson.

Historically and culturally Liberia's roots are more closely intertwined with those of the United States than any other nation in the world. The people of the United States were directly responsible for the founding of Liberia. The first settlers of Liberia came from the United States.

The two nations have helped each other in peace and in war for more than 130 years. Liberia is the only nation on the continent of Africa on which the United States has been able to rely as an ally beyond question. The United States has aided materially in the economic development of Liberia.

WILLIAM V. S. TUBMAN

William Vacanarat Shadrach Tubman is the 18th President of the Republic of Liberia. He was elected in 1943 to serve a term of 8 years, and reelected in 1951 for a second term of 4 years.

Mr. Tubman was born at Harper, Maryland County, Liberia, in 1895. His father was Alexander Tubman, speaker of the Liberian House of Representatives, senator, and Methodist minister, a descendent of early settlers who came to Liberia in 1834 from Augusta, Ga. President Tubman's mother, Elizabeth Rebecca (Barnes), emigrated from Atlanta, Ga., in 1872.

President Tubman was graduated in 1913 from the Cape Palmas Seminary, a Methodist missionary school, and pursued higher studies under private tutelage. He later taught in the local elementary schools. At the same time he read law, passed examinations, was called to the bar, and took silk in 1917.

During the administration of President Howard, Mr. Tubman was appointed recorder in the monthly and probate court, collector of internal revenue for Maryland County, and, in 1919, county attorney. As a soldier in the Liberian Army, Mr. Tubman rose through the ranks from private to colonel.

In 1928, when he was 33 years old, Mr. Tubman's unusual ability and leadership was recognized in his election to the national legislature as the youngest senator in the history of his nation. He served as senator with marked distinction until 1937, when President Edwin J. Barclay appointed him as associate justice of the Supreme Court of Liberia. He served in this capacity until he was elected President.

Mr. Tubman is a member of Phi Beta Sigma, past grand master of the Ancient Free and Accepted Masons of Liberia, past district deputy grand master of the United Brothers of Friendship, and past district supervisor of lodges of the Grand United Order of Odd Fellows. Honorary degrees conferred upon President Tubman include that of doctor of laws from Liberia College and Wilberforce University, and doctor of civil laws and doctor of philosophy from the University of Liberia.

Mr. Tubman is married to the former Antoinette Padmore, granddaughter of President Arthur Barclay. He is the father of five children. His eldest son, William, Jr., was graduated from Governor Dummer Academy in Massachusetts and entered Harvard University in 1954.

Under President Tubman's leadership vast programs have been successfully undertaken for the development of the human, natural, and economic resources of Liberia. These have literally transformed the face of great areas of his country, established his nation as an active participant in world affairs, and resulted in improvement and prosperity unparalleled in his nation's history. This has enabled vigorous prosecution of effective programs to extend public education, improve public health, increase public works, intensify industry and agriculture, expand foreign trade, improve public administration, and make great strides in the political integration and development of the nation.

Always active in church and religious affairs, President Tubman first visited the United States in 1928 as a delegate to the general conference of the Methodist Episcopal Church, held at Kansas City, Mo. His second visit to the United States was during World War II, when, in 1943, as President-elect, he accompanied President Edwin Barclay in response to the invitation of President Franklin D. Roosevelt; his visit of 1954 at the invitation of President Dwight D. Eisenhower.

These are the administration accomplishments:

Women's suffrage.

The right to vote to the tribes of the Interior.

Tribal representation in the national legislature.

Revision of the election laws and adoption of the Australian ballot.

Closer integration of tribal government with the Central government.

Creation of gold reserve and other financial reforms.

Creation of a system of rural clinics and hospitals.

Expansion of public and higher education in Liberia and technical and specialized vocational training abroad under Government scholarships.

Establishment of nationwide communication facilities.

Air strips and extension of the road system throughout the nation.

Establishment of a nationwide agricultural research and extension service.

Broadening of diplomatic relations with principal nations and expansion of the Liberian foreign service.

Charter participation in the United Nations, its constituent agencies and other international bodies.

An open-door policy of immigration and encouragement of foreign commerce and investment in Liberia.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. FULTON. I want to congratulate the gentleman from this side of the House, and also to compliment Liberia on awarding a decoration to Mrs. Robert Vann, publisher of the Pittsburgh Courier, as one of Pittsburgh's outstanding citizens.

Mr. POWELL. I thank the gentleman.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield to the gentleman.

Mr. EDMONDSON. I join in expressing appreciation of what my colleague has done in his salute to a fine country and a good friend. I also express appreciation of the friendship which President Tubman has demonstrated toward our country.

Mr. POWELL. I thank the gentleman.

SHOOTING DOWN OF PLANE BY BULGARIAN COMMUNISTS

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 5 minutes.

Mr. FEIGHAN. Mr. Speaker, this morning a Constellation of Elal Israel Air Line carrying 57 persons was shot down by Bulgarian Communists. According to Greek information sources, this Israeli plane was shot down on the Greek Bulgarian border while flying its regular normal passenger route, in a proper established air lane.

Among the 57 passengers who perished were 3 Americans. While their identities have not as yet been known, it is understood they were 2 women and a child under 10 years of age, Greek information sources state.

Informed sources reveal that the Israeli Government has not as yet made an official protest, but they are currently attempting to get permission for a Commission of Inquiry to enter Bulgaria in order to obtain the full facts.

We have been led to believe that the leaders of the Communist conspiracy wanted peace; that they were willing to give up their conspiratorial aims; that they would no longer engage in acts of aggression against peace loving nations.

It is only several days after the ending of the recent Conference that the commercial airliner of a small nation which but recenlty gained its independence, and which beyond any doubt has no military capabilities to carry out any aggressive acts against the U. S. S. R. or any of its colonies, was shot down.

Israeli's plane, without provocation, without cause, and in cold blood, was shot down by Bulgarian Communist planes, an element of the international Communist conspiracy, according to informed sources.

The time has arrived for us to recognize that here is a practical demonstration—a demonstration by deed, of what the Communist leaders mean when they claim to be advocates of peaceful coexistence. This act constitutes a clear threat to peace. I therefore am today calling upon the Secretary of State to take steps to cause the United Nations to demand the right by a commission made up of representatives of non-Communist nations to make a full and unhindered inquiry into this latest act of aggression by the Communists. Failure on the part of free men to establish guilt and assess penalties for such acts of aggression can lead us only down the path to world war III.

Mr. MACHROWICZ. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I am very happy to yield to the distinguished gentleman from Michigan.

Mr. MACHROWICZ. I commend my colleague on his statement about this unfortunate incident. Those of us who have studied Communist aggression, and I know the gentleman from Ohio has been a member of a committee, together with me, which made an intensive study of this situation, have long ago warned Congress and the American public that we cannot trust Communist promises. Incidents of this kind are bound to happen again in the future.

Mr. FEIGHAN. I thank the gentleman very much for his very illuminating contribution.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HYDE and to include an address.

Mr. SCHENCK.

Mr. MILLER of Nebraska in two instances and in one to include an address.

Mr. FORRESTER and to include extraneous matter.

Mr. FEIGHAN in two instances and to include extraneous matter.

Mr. KELLEY of Pennsylvania.

Mr. REUSS and to include extraneous matter.

Mr. METCALF and to include extraneous matter.

Mr. DOYLE and to include extraneous matter.

Mr. WOLVERTON and to include extraneous matter.

Mr. BURDICK.

Mr. DONOHUE and to include extraneous matter.

Mr. MULTER in two instances and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 56. An act authorizing construction of certain public works on the Mississippi River for the protection of St. Louis, Mo.; to the Committee on Public Works.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2107. An act to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes;

H. R. 2109. An act to authorize permanent appointments in the United States Navy and in the United States Marine Corps;

H. R. 5512. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Administrator to the State of Louisiana;

H. R. 6259. An act to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board and for other purposes," approved June 4, 1948; and

H. R. 7029. An act to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

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. 1741. An act to exempt from taxation certain property of the Jewish War Veterans, U. S. A. National Memorial, Inc., in the District of Columbia;

S. 2176. An act to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress.

S. 2177. An act to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia;

S. 2427. An act to provide for the payment of compensation to officers and members of the Metropolitan Police force, the United States Park Police force, the White House Police force, and the Fire Department of the District of Columbia, for duty performed on their days off, when such days off are suspended during an emergency;

S. 2428. An act to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department, of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes; and

S. 2592. An act to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On July 26, 1955:

H. R. 2866. An act to declare a certain portion of the waterway (a section of the Acushnet River) in the city of New Bedford and the towns of Fairhaven and Acushnet, Mass., a nonnavigable stream;

H. R. 3281. An act for the relief of Herbert Roscoe Martin;

H. R. 3359. An act for the relief of Raymond George Palmer;

H. R. 4001. An act to provide for the management and disposition of certain public domain lands in the State of Oklahoma;

H. R. 4362. To act to amend the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes," approved September 3, 1954; and

H. R. 4904. An act to extend the Renegotiation Act of 1951 for 2 years.

On July 27, 1955:

H. R. 2150. An act to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the duties of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes;

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

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

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

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

H. R. 2949. An act for the relief of Jose Armando Quaresma;

H. R. 2972. An act to require the recordation of scrip, lieu selection, and similar rights;

H. R. 3048. An act for the relief of Assuntino Del Gobbo;

H. R. 3270. An act for the relief of Giuseppa Arsena;

H. R. 3354. An act for the relief of Julius G. Watson;

H. R. 3504. An act for the relief of Eveline Wenk Neal;

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

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

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

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

H. R. 3726. An act for the relief of Mr. Gino Evangelista;

H. R. 3786. An act to incorporate the Army and Navy Legion of Valor of the United States of America;

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

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

H. R. 4044. An act for the relief of Burgal Lyden and others;

H. R. 4106. An act to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes;

H. R. 4146. An act for the relief of Adelheid (Heidi) Glessner (nee Schega);

H. R. 4147. An act for the relief of Angelo DeVito;

H. R. 4198. An act for the relief of Howard L. Gray;

H. R. 4218. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America for use at the Girl Scout Senior Roundup Encampment, and for other purposes;

H. R. 4280. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands;

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

H. R. 4289. An act for the relief of Vladislav Bevc;

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

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

H. R. 4717. An act to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y.;

H. R. 4727. An act to permit the issuance of a flag to a friend or associate of the deceased veteran where it is not claimed by the next of kin;

H. R. 4747. An act to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed in such city;

H. R. 4886. An act to provide that active service in the Army and Air Force shall be included in determining the eligibility for retirement of certain commissioned officers of the Navy, Marine Corps, and Coast Guard;

H. R. 5283. An act for the relief of Artur Swislocki or Arthur Svislotzki;

H. R. 5893. An act to amend paragraph I (a), part I of Veterans Regulation No. 1 (a), as amended, to make its provisions applicable to active service on and after June 27, 1950, and prior to February 1, 1955, and for other purposes;

H. R. 6277. An act to amend subsection 303 (c) of the Career Compensation Act of 1949 relating to transportation and storage of household goods of military personnel on permanent change of station;

H. R. 6396. An act for the relief of Valerie Anne Peterson;

H. R. 6613. An act for the relief of Yuji Doi and Mrs. Matsuyo Yamaoka Doi;

H. R. 6980. An act providing for the conveyance of the Old Colony project to the Boston Housing Authority;

H. R. 7194. An act to authorize subsistence allowances to enlisted personnel; and

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

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, July 28, 1955, at 10 o'clock a. m.

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. ENGLE: Committee of conference. H. R. 3990. A bill to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska (Rept. No. 1447). Ordered to be printed.

Mr. KEOGH: Committee on Ways and Means. H. R. 5428. A bill to amend the Internal Revenue Code of 1954 to provide that chapter 71 relative to transferees and fiduciaries shall apply with respect to any tax imposed by the Internal Revenue Code of 1939; with amendment (Rept. No. 1448). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. H. R. 3822. A bill to amend title V of the Agricultural Act of 1949, as amended, by striking out the termination date (Rept. No. 1449). Ordered to be printed.

Mr. COOLEY: Committee of conference. H. R. 2851. A bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts (Rept. No. 1450). Ordered to be printed.

Mr. DAWSON of Illinois: Committee on Government Operations. S. 2277. An act authorizing the Administrator of General Services to convey certain land to the city of Sioux Falls, S. Dak., for park and recreational purposes, for an amount equal to the cost to the United States of acquiring such lands from the city; without amendment (Rept. No. 1452). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 6182. 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; without amendment (Rept. No. 1453). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 7156. A bill to provide for the conveyance of certain land of the United States to the board of county commissioners of Lee County, Fla.; without amendment (Rept. No. 1454). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 7227. A bill to amend further the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil defense purposes, to provide that certain Federal surplus property be disposed of to State and local civil defense organizations which are established by or pursuant to State law, and for other purposes; with amendment (Rept. No. 1455). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Third intermediate report of the Government Operations Committee; without amendment (Rept. No. 1456). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Fifth intermediate report of the Government Operations Committee; without amendment (Rept. No. 1457). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Sixth intermediate report of the Government Operations Committee; without amendment (Rept. No. 1458). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 7092. A bill to provide for the improvement of the Mississippi River at and in the vicinity of St. Louis, Mo., for flood control; with amendment (Rept. No. 1459). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 6857. A bill to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.; without amendment (Rept. No. 1460). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 7195. A bill to provide for the reconveyance of lands in certain reservoir projects in Texas to former owners of such lands; with amendment (Rept. No. 1461). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7367. A bill to amend the Agricultural Adjustment Act of 1938, as amended; with amendment (Rept. No. 1462). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1757. An act to amend the act known as the "Agricultural Marketing Act of 1946," approved August 14, 1946; with amendment (Rept. No. 1468). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 585. A bill to authorize the conveyance to Lake County, Calif., of the Lower Lake Rancheria; with amendment (Rept. No. 1464). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 7284. A bill to provide for the conveyance to the State of North Dakota, for use as a State historic site, of the land where Chief Sitting Bull was originally buried; with amendment (Rept. No. 1465). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 318. Resolution for consideration of H. R. 5649, a bill to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court; without amendment (Rept. No. 1466). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 319. Resolution for consideration of H. R. 2552, a bill to authorize the modification of the existing project for the Great Lakes connecting channels above Lake Erie; without amendment (Rept. No. 1467). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 316. Resolution to authorize the Committee on Education and Labor to conduct studies and investigations in the United States, its Territories and possessions, and the Commonwealth of Puerto Rico; without amendment (Rept. No. 1468). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 320. Resolution for consideration of H. R. 7470 a bill to amend the Defense Production Act of 1950, as amended; without amendment (Rept. No. 1469). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 321. Resolution for consideration of H. R. 6309, a bill to authorize construction of the Mississippi River-Gulf outlet; without amendment (Rept. No. 1470). Referred to the House Calendar.

Mr. DAWSON of Illinois: Committee on Government Operations. Fourth intermediate report of the Government Operations Committee; without amendment (Rept. No. 1471). Referred to the Committee of the Whole House of the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Seventh intermediate report of the operations of the Alaska Roads Commission; without amendment (Rept. No. 1472). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 7618. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; with amendments (Rept. No. 1473). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 7619. A bill to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes; without amendment (Rept. No. 1474). Referred to the Committee of the Whole House on the State of the Union.

Mr. RICHARDS: Committee of conference. H. R. 6382. A bill to amend the International Claims Settlement Act of 1949, as amended, and for other purposes (Rept. No. 1475). Ordered to be printed.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6625. A bill to provide for the transfer of title to certain land and the improvements thereon to the Pueblo of San Lorenzo (Pueblo of Picuris), in New Mexico, and for other purposes; without amendment (Rept. No. 1476). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. House Joint Resolution 353. Joint resolution to authorize the Secretary of the Interior to execute a certain contract with the Toston Irrigation District, Mont.; without amendment (Rept. No. 1477). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6994. A bill to provide for entry and location, on discovery of a valuable source material, upon public lands of the United States classified as or known to be valuable for coal, and for other purposes; with amendments (Rept. No. 1478). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 7248. A bill to amend the act extending the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah so as to authorize such State to exchange certain mineral lands for other lands mineral in character; without amendment (Rept. No. 1479). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6824. A bill to authorize the amendment of the restrictive covenant on land patent No. 10,410, issued to Keoshi Matsunaga, his heirs and assigns, on July 20, 1936, and covering lot 48 of Ponahawai house lots, situated in the county of Hawaii, T. H.; without amendment (Rept. No. 1480). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6461. A bill to amend section 73 (1) of the Hawaiian Organic Act; without amendment (Rept. No. 1481). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5169. A bill to repeal clause (d) of the proviso contained in the act of August 2, 1937, as amended, and for other purposes; without amendment (Rept. No. 1482). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5566. A bill to terminate the existence of the Indian Claims Commission; with amendments (Rept. No. 1483). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6463. A bill to ratify and confirm section 4539, Revised Laws of Hawaii 1945, section 1 (b), act 12, Session Laws of Hawaii 1951, and the sales of public lands consummated pursuant to the terms of said statutes; without amendment (Rept.

No. 1484). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6807. A bill to authorize the amendment of certain patents of Government lands containing restrictions as to use of such lands in the Territory of Hawaii; without amendment (Rept. No. 1485). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6945. A bill to amend the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, so as to permit per capita payments to the individual members of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation in Wyoming, to be made quarterly; without amendment (Rept. No. 1486). Referred to the Committee of the Whole House on the State of the Union.

Mr. FASCELL: Committee on Post Office and Civil Service. H. R. 4569. A bill to provide for renewal of and adjustment of compensation under contracts for carrying mail on water routes; without amendment (Rept. No. 1487). Referred to the Committee of the Whole House on the State of the Union.

Mr. JENKINS: Committee on Ways and Means. H. R. 3653. A bill to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite; with amendment (Rept. No. 1488). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 4376. A bill to exempt from duty the importation of certain handwoven fabrics when used in the making of religious vestments; with amendments (Rept. No. 1489). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Pennsylvania: Committee on Ways and Means. H. R. 4581. A bill to amend section 4091 of the Internal Revenue Code of 1954 (relating to imposition of tax upon lubricating oils) and to amend section 6416 (b) of the Internal Revenue Code of 1954 (relating to overpayments of tax); with amendments (Rept. No. 1490). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 5249. A bill to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954; without amendment (Rept. No. 1491). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 6122. A bill to remit the duty on certain bells to be imported for addition to the carillons of The Citadel, Charleston, S. C.; without amendment (Rept. No. 1492). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 6595. A bill to amend certain provisions of law relating to the estate tax; with amendments (Rept. No. 1493). Referred to the Committee of the Whole House on the State of the Union.

Mr. EBERHARTER: Committee on Ways and Means. H. R. 7012. A bill to amend section 209 (a) of the Technical Changes Act of 1953; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House on the State of the Union.

Mr. BAKER: Committee on Ways and Means. H. R. 7054. A bill to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers; with amendments (Rept. No. 1495). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 7095. A bill to provide that the tax on admissions shall not apply to certain athletic events held for the benefit of the United States Olympic Association; with amendment (Rept. No. 1496). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCARTHY: Committee on Ways and Means. H. R. 7364. A bill relating to the application of the documentary stamp tax to transfers of certain installment obligations; without amendment (Rept. No. 1497). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALEXANDER: 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; with amendments (Rept. No. 1498). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 2098. An act to amend Public Law 83, 83d Congress; with amendment (Rept. No. 1499). Referred to the Committee of the Whole House on the State of the Union.

Mr. LESINSKI: Committee on Post Office and Civil Service. S. 2403. An act to authorize the dual employment of custodial employees in post office buildings operated by the General Services Administration, and for other purposes; without amendment (Rept. No. 1500). Referred to the Committee of the Whole House on the State of the Union.

Mr. PASSMAN: Committee of conference. H. R. 7224. A bill making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 1501). Ordered to be printed.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 1603. A bill to terminate the prohibition against employment of Mongolian labor in the construction of reclamation projects; without amendment (Rept. No. 1502). Referred to the House Calendar.

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. VINSON: Committee on Armed Services. H. R. 7628. A bill to authorize the appointment in a civilian position in the White House office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes; without amendment (Rept. No. 1451). Referred to the Committee of the Whole House.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6927. A bill providing for the conveyance to St. Louis Church of Dunseith, Dunseith, N. Dak., of certain lands on the Turtle Mountain Indian Reservation; with amendment (Rept. No. 1503). 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. BENNETT of Florida:

H. R. 7629. A bill to amend the Reserve Officer Personnel Act of 1954 to provide for the retention on active duty of certain officers; to the Committee on Armed Services.

By Mr. BOLAND:

H. R. 7630. A bill to amend section 5051 (a) of the Internal Revenue Code of 1954 to aid small business and discourage continued concentration in the brewing industry; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 7631. A bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the classes of mail and services; to the Committee on Post Office and Civil Service.

H. R. 7632. A bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the parcel-post service; to the Committee on Post Office and Civil Service.

By Mr. HYDE:

H. R. 7633. A bill to provide means for the granting of career-conditional and career appointments in the competitive civil service to certain qualified employees serving under temporary or indefinite appointments having not less than 10 years of aggregate service; to the Committee on Post Office and Civil Service.

By Mr. KEAN:

H. R. 7634. A bill to provide that amounts which do not exceed 61 cents shall be exempt from the tax imposed upon amounts paid for the transportation of persons; to the Committee on Ways and Means.

By Mr. KING of California:

H. R. 7635. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. KILGORE:

H. R. 7636. A bill to amend section 402 of the Federal Employees Uniform Allowance Act, approved September 1, 1954 (title IV, Public Law 763, 83d Cong.), as amended; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 7637. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H. R. 7638. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 7639. A bill to provide that citizens or a free corporate union of Trieste may acquire certain surplus merchant vessels from the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. MULTER:

H. R. 7640. A bill to amend the provisions of section 19 of the Federal Reserve Act relating to reserve balances of member banks; to the Committee on Banking and Currency.

By Mr. REUSS:

H. R. 7641. A bill to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes; to the Committee on Banking and Currency.

By Mr. SCUDDER:

H. R. 7642. A bill to provide for the issuance of a postage stamp in commemoration of 100 years of progress in conservation and forestry in the redwood region of California; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H. R. 7643. A bill to amend the Internal Revenue Code of 1939 and the Internal Revenue Code of 1954 with respect to foreign-tax credit for United Kingdom, income tax paid with respect to royalties and other like amounts; to the Committee on Ways and Means.

H. R. 7644. A bill to abate taxes on distilled spirits stolen from customs bonded warehouse; to the Committee on Ways and Means.

By Mrs. SULLIVAN (by request):

H. R. 7645. A bill to provide that certain expenses of the Panama Canal Company and

the Canal Zone Government shall be paid from tolls, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VINSON:

H. R. 7646. A bill to authorize the Secretaries of the military departments and the Secretary of the Treasury with respect to the Coast Guard, to incur expenses incident to the representation of their personnel before judicial tribunals and administrative agencies of any foreign nation; to the Committee on Armed Services.

By Mr. McDOWELL:

H. Res. 322. Resolution creating a Select Committee on Consumer Interests; to the Committee on Rules.

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 to prevent the reduction in force of the United States Marine Corps; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 7647. A bill for the relief of Ilmar Harald Kert; to the Committee on the Judiciary.

By Mr. CARRIGG:

H. R. 7648. A bill for the relief of Eugene J. Coleman; to the Committee on the Judiciary.

By Mrs. FARRINGTON:

H. R. 7649. A bill for the relief of Dr. Rodolfo T. Santeco; to the Committee on the Judiciary.

H. R. 7650. A bill for the relief of Man Yee Lee; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 7651. A bill for the relief of Hans J. Bernick; to the Committee on the Judiciary.

H. R. 7652. A bill for the relief of Mrs. Violet Burtt; to the Committee on the Judiciary.

By Mr. HINSHAW:

H. R. 7653. A bill for the relief of George Calvin Penny; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 7654. A bill for the relief of Mrs. Raymonde Vonka; to the Committee on the Judiciary.

By Mr. TUMULTY:

H. R. 7655. A bill for the relief of Anna Almo; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

H. R. 7656. A bill for the relief of Bernard L. Barker; to the Committee on the Judiciary.

By Mr. CLARK:

H. Res. 323. Resolution providing for sending to the United States Court of Claims the bill H. R. 4133; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Hon. Henry M. Jackson, of Washington

EXTENSION OF REMARKS

OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 27, 1955

Mr. MANSFIELD. Mr. President, the distinguished junior Senator from Washington [Mr. JACKSON], delivered an address before the annual fellowship dinner of the Grand Lodge of Masons of the State of Washington at Olympia, Wash., on Tuesday, June 21, 1955. There is so much meat in the address, and so much to think about, that I ask unanimous consent that the address be printed in the CONGRESSIONAL RECORD.

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

ADDRESS OF HON. HENRY M. JACKSON, OF WASHINGTON, BEFORE THE ANNUAL FELLOWSHIP DINNER OF THE GRAND LODGE OF MASONS OF THE STATE OF WASHINGTON, AT OLYMPIA, WASH., JUNE 21, 1955

In the past 3 months, Soviet foreign policy has made the most striking series of shifts since the beginning of the cold war in 1946. In no less than nine different cases, the iron fist of Stalin has been supplanted by the disarming diplomacy of Moscow and Peiping.

To underline this change, let us review these unexpected reversals of the Communist position.

In the Far East, Communist China has concurred in a de facto cease fire in the Formosa region and indicated a willingness to discuss a settlement. Four American fliers held in Chinese prisons for more than 2 years have been released. Russia, having refused to sign the original Treaty of Peace With Japan, is now discussing a bilateral agreement. The Kremlin has begun a concerted campaign to win favor with Nehru—the leader of the neutralist bloc.

In Europe, an effort is being made to heal the breach with Tito, who not long ago was being denounced from Moscow as a heretic. Concessions to the West's position on the reduction of conventional armaments have been indicated. Chancellor Adenauer has been invited to discuss resuming diplomatic relations after Russia's initial refusal to recognize Bonn. And following 7 years of obstruction, the Soviet signature has been placed on the Austrian Treaty.

On top of these events must be added the Russian agreement to join a four-power conference at Geneva next month.

The American people would be less than human if they did not take heart at this turn of events.

As always, however, there is another side to the coin. I am frank to question whether the current optimism can be justified by the realities of the situation.

The simple fact is that with Stalin's death there has come to power in Russia a group that is subtle, clever, and flexible—as opposed to the bluntness, rigidity, sometimes stupidity of the Stalin regime. Where Stalin was obvious, Khrushchev is devious.

Most of Stalin's failures stemmed from the clarity of the threat he posed to the free world. Recall for a moment our reactions at home to Soviet moves in Iran, Greece, Czechoslovakia, Berlin, and Korea. It was these threats that pushed us into a program of alliances, a military buildup, and a determined attempt to shore up the defenses of the free world.

The Russians' "good neighbor" policy of recent weeks, by apparently diminishing this threat, has placed us in a difficult position. On the surface, we are faced with a new, disarming and conciliatory Communist approach. Behind this front the basic aims of communism remain unchanged.

It is a front because the Khrushchev regime is building the greatest military machine in Soviet history. As they talk peace, their preparations for war exceed our greatest estimates of their military capabilities. Never, in fact, has any country boasted of peaceful intentions with such a large portion of its economy dedicated to armaments.

Let me document this point with a brief look at recent history. Six years ago, in the spring of 1949, our conventional forces were vastly outnumbered by those of the Communist world. As a matter of fact, they still are. But as against this, in 1949, our air-atomic power was incontestable. We possessed the B-36, then the world's only true long-range bomber. We had already flight-tested the B-47, the world's first strategic jet bomber. And above all—6 years ago—we had a monopoly of atomic weapons.

Intelligence reports told us then that our atomic monopoly would be long-lived. Some responsible officials declared that 10 or 20 years might pass before the Soviets mastered the riddle of atomic energy. The matter of stockpiling nuclear weapons in large numbers was even more remote. As for delivery aircraft, we were informed that Soviet jet bombers were many years in the future. In short, most of us believed in the spring of 1949 that America's trump card—our industrial and scientific supremacy—would indefinitely cancel out Moscow's superiority in conventional forces.

Today we know, or should know, otherwise. Far from requiring decades to split the atom, the Soviets achieved their first atomic bomb in 1949—years before the expected date. Their first hydrogen explosion occurred in the summer of 1953—only 9 months after our own first full-scale hydrogen test.

Had we been realistic, we should have assumed that a nation capable of mastering atomic energy so quickly would also soon have air fleets with long range jet bombers. Yet even after the Soviet hydrogen test confident officials soothingly declared that nuclear bombs were of no use unless they could be delivered against targets. As far as ability to deliver these bombs went, they said, our lead was clear and permanent.

Then came the Russians' air demonstration of May Day 1954. This revealed the existence of Soviet jet bombers comparable to our own medium-range B-47 and our long-range B-52. The intelligence communities of the free world were shocked. The Russian planes had been flown well before the expected date. In certain important respects—in the size of their jet engines, for instance—they were more advanced than our own bombers.

Despite these facts, the soothing voices were heard again. They said the Soviet planes were doubtless hand-tooled prototypes. They predicted that years would elapse before these first models could be mass-produced. The implication was clear that mass production was unique to the United States.

Six weeks ago we learned the truth. In their 1955 practice May Day displays the Soviets flew both their medium and long range jet bombers in operational numbers.

Furthermore, they flew large numbers of a new day fighter. Performancewise, this is a better plane than any we ourselves are now flying in other than limited flight tests. In addition, they flew operational numbers of all-weather interceptors which are superior to any plane we ourselves have in combat units today.

Again, our defense planners were caught by surprise—just as they were surprised when thousands of MIG's flew in Korea at a time when the Soviets theoretically could not mass-produce fighters.

The American people are now being told that, as of today, we are still superior to the Soviets in long-range airpower. Those who issue these statements, however, do not say how we stand in relation to the Soviets in fighter aircraft. Neither do they say how we will stand in strategic airpower a few years from now.

Speaking as a member of the Senate Armed Services Committee and the Joint Committee on Atomic Energy, my own estimate of the present balance of airpower is this:

Long-range jet bombers. We are now in a neck-and-neck race with the Soviets. They may well be ahead of us.

Medium-range jet bombers. As of now, it is likely that we have more medium-range jet bombers than the Soviets possess. But they may well overtake and surpass us in a year or two.

Fighter aircraft. We are now vastly inferior to the Soviets in terms of numbers of high-performance fighters. As a matter of fact they are thousands ahead of us. Qualitatively, the latest Soviet fighters are at least the equal of our best planes—and they may be better.

The intercontinental ballistic missile. The race for this absolute weapon is now nip and tuck. We should not be surprised if the Soviets get it first.

What a shocking distance the Russians have traveled in 6 years. In 1949 our airpower lead was incontestable. Today, our only comfort lies in the fact that—in certain types of planes—we still appear to be ahead of the Russians. To put it bluntly, we find ourselves for the first time simply trying to keep up with Soviet progress in delivery vehicles—rather than being decisively ahead.

Nor is this all. All the evidence indicates that the Russians have been able to move from the design of prototype aircraft to mass-production models more quickly than we have. In other words, they now appear to be our superiors in the very techniques for which America has always been famous—quickly tooling up for mass production.

To cite an example. Our work on the B-52 bomber began in 1948. It was first tested in 1952. First production started in the spring of 1954. The comparable Soviet plane—the type 37—was apparently designed in 1950. It was tested in 1953 and produced in quantity in 1954. Although the United States had production facilities for a jet bomber that the Soviet lacked, they gained at least 2 years on us in this race.

The growth of Soviet technology is documented in a recent speech by Allen Dulles, Director of the Central Intelligence Agency. "Military needs dominate their research programs," he said. And he added: "We who are in intelligence work have learned by now that it is rarely safe to assume that the Soviets do not have the basic skill, both theoretical and technical, to do in these fields what we can do." As an ominous footnote, Mr. Dulles reported that the Russians would graduate 1.2 million in the sciences in the decade from 1950 to 1960 compared to only 900,000 in the United States.

The meaning of these facts for the future is clear. What is past is prolog. In 1949 we led decisively in the contest for air-atomic supremacy. Today, this same contest hangs in the balance. If the present trend continues, I put it to you as a fact that by 1960 the Soviets will be unquestionably ahead of us in airpower. When that day arrives—as it surely will if we do not change course—our historic trump card of technological supremacy will be nullified. To their present superiority in conventional forces our enemies will add superiority in advanced weapons systems—with fateful consequences for the future of the world.

What are we going to do about this challenge?

Certain things seem clear. We are now engaged in a struggle for our national survival. In this struggle, our foes are working around the clock. We cannot hope to win this contest if we ourselves work 1 shift on a 5-day basis.

More specifically, I propose the following six-point program:

First, I propose that our production of jet bombers and fighters be placed on a crash basis at once—on a wartime footing.

Second, I propose that there be an expansion of our present aircraft industrial capacity. Existing aircraft plants should now operate around the clock, 7 days a week.

Third, I propose that we immediately convene a board of top industrial experts to determine why we are now slower than the Soviets in tooling up for the mass production of aircraft. We cannot prevent wars with models sketched on drawing boards.

Fourth, I propose that we immediately assign supreme and overriding importance in our defense effort to the development of the intercontinental ballistic missile. This project must be tackled with the resources, the skills, the moneys, the urgency, and the priority given our war-time atomic effort. The question of war or peace may depend on our getting this ultimate weapon first.

Fifth. I propose that, as an absolute minimum, our ground forces be kept at their present level. Proposed cuts could be disastrous.

Sixth. I propose that we immediately undertake to expand our atomic weapons program.

The Military Applications Subcommittee of the Joint Committee on Atomic Energy, of which I have the honor to be chairman, is now completing an extended 3-month series of secret hearings on the general subject of our atomic preparedness. During these meetings, we have heard from the Secretary of State and the Secretary of Defense, the Chairman and members of the Joint Chiefs of Staff, the Secretaries of the three services, from the Strategic Air Command, the Continental Air Defense Command, the Commander of NATO and from ranking scientists.

These hearings have made it clear to me that our existing and planned atomic production facilities will be inadequate to meet the real needs of our Armed Forces for nuclear weapons. This is particularly the case with small weapons of relatively low destructive power which could be used for anti-aircraft defense and against troops in the field. Accordingly it is my earnest hope that the members of the joint committee will soon see fit to recommend to the President a major step-up in our atomic weapons output.

Yet atomic weapons in themselves can furnish us with no military protection unless we can deliver them against enemy targets. In all sincerity, I regard the recently announced acceleration of 35 percent in our B-52 production schedules as completely inadequate. I believe these schedules must be revised drastically upward. It is my fervent hope that we will not need another Russian May Day demonstration to jolt us into stepping up our military programs along the lines I have suggested, which surely represents the minimum price of national survival.

Will larger military budgets be required to strengthen our Air Force and to expand our atomic production? Of course they will. But defense in this atomic age cannot be purchased in bargain basements. Any peacetime military budget is small, and bearable, when compared with the incalculable cost and horror of the atomic war which may well befall us if our preparations are so weak as to invite attack. Our military preparations cannot and must not be budget limited. Instead, they must be based upon the needs of our Armed Forces and the requirements of our national survival.

Our top military leaders, testifying before the Joint Committee on Atomic Energy, have made it clear that we could not begin to mobilize our resources and step up arms production after an all-out atomic war had started. In such a war, our entire economy could be prostrated in a few days. This fact represents an historic change in our Nation's military position. In previous wars, we have been spared direct attack. With the impetus of a Pearl Harbor, we have had a period of grace to mobilize and produce the goods of war. Today, however, our industries are only a few hours away from the fields of the long-range Russian air force. The period of grace is a thing of the past. As a result we must now build up our armed strength to wartime footing in time of peace.

Some of you may feel that what I have said tonight is too much in the realm of saber-rattling. I have made this speech for the purpose of letting people know the military steps which must be taken to prevent war. In our present peacetime situation, the only rallying force we can use to speed our production and defense buildup is the device of honest information conveyed to the American people by their elected and appointed officials. I believe that an American public fully informed of the clear and present danger to our security will support an effective defense program now with the same vigor they showed in our mobilization effort after Pearl Harbor.

I should add that this is not a partisan speech or a partisan issue. Both the present administration and its Democratic predecessor have underestimated the strength and potential of the Soviets. This national shortcoming can be remedied only through national support for a new and vigorous defense program.

In light of this critical Russian threat, what can we expect from the forthcoming four-power conference? I hope you will agree that the Soviet military buildup dwarfs in significance the recent shifts in Soviet foreign policy. The real issue at this conference, and in the months of discussions ahead, is whether or not the Russians are prepared to show good faith in their dealings with the free world. The American people will not put much stock in Russian signatures on agreements. But assurance that Russia was genuinely interested in living up to commitments would be warmly received.

What could we regard in days ahead then as a show of good faith from the Soviets—a genuine change of heart? Three things, I suggest, Russia must do to reestablish her credit with the free world.

First, she must lift the Iron Curtain to allow the free flow of people and ideas between Russia and the non-Communist nations.

Second, she must withdraw her troops from the satellite countries occupied at the end of World War II.

Third, she must stop the activities of the Cominform—the agency devoted to the spread of international communism.

Unless the Russian attitude on these questions is changed, we cannot assume that the basic aims of the Kremlin are directed toward a real solution to the cold-war conflict. When the Kremlin moves to lift the Iron Curtain, free the satellites and abandon the Cominform, this will be the essential demonstration of good faith.

Until this time, we must remain hopeful but pessimistic as to Soviet intentions. And we must move promptly to meet the ominous challenge of the Russian military buildup.

Whose Giveaway of Public Power?

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. MILLER of Nebraska. Mr. Speaker, we have heard the accusation many times that the Republican administration is "antipublic power—is giving away power to private industry," or is "violating the preference and withdrawal clauses." The Democrats groping for issues have seized upon these accusations with all the vigor of a minister denouncing sin.

However, let us look at the record. Whose giveaway is it? Who is violating the preference and withdrawal clauses? Who is really antipublic power?

Here is what the record shows. The Democrats controlled the legislative and executive branches of the Government for the greater part of 20 years, and were responsible for the power policy that developed from 1933 to 1953. When they came into office in 1933, they inherited a sound, constructive, and wholesome Republican program for development of the country's natural resources, fostered by the Reclamation Act of 1902, the Reclamation Act of 1906, and the Boulder Canyon Act of 1928. These acts, passed by Republican Congresses under Republican administrations, authorized utilization of water for irrigation and power development, and laid down the policy for the use and sale of these resources. Under the 1906 act it was provided that when the power was sold preference should be given to public and municipal uses, and a comparable provision appeared in the act of 1928 creating the magnificent Boulder Canyon project.

The Democrats, with their usual capacity for adopting Republican programs and converting them to their own use, injected a new philosophy into the field of public power with the passage of the Bonneville Act of 1937. The "preference clause," which previously applied to marketing agencies devoted to "public use," was extended to public bodies and cooperatives, without reference to the use of the power.

Now, how well have the Democrats carried on the public power program? How well have they protected the investment of the taxpayers in the many huge Federal power projects in the country? How much power did they give away to private industry? How well have they observed the preference and withdrawal policies?

As Al Smith used to say, "Let's look at the record." What does it show? The record shows that during the period of 1945–52 the Bureau of Reclamation, the Bonneville Power Administration, the Southwestern Power Administration, the Southeastern Power Administration, and other Federal power groups, under Democratic control entered into a total of 176 contracts with privately owned utilities demanding an energy delivery of 444,599,725 kilowatt-hours in 1952. Only 14 of the 176 contracts carried the preference or withdrawal clause. The record shows that these contracts were made with privately owned groups and were contracts for Federal power, at a time when a serious power shortage in several public power areas in the country was apparent. Some of these contracts, in the opinion of experts, were made at less than the cost of production. The contracts prices ranged from 1.5 mills to 3 mills. One contract was for nearly a million kilowatt-hours, made to a New Deal pet, the Kaiser Aluminum Co. It is still in effect and the price is less than the cost of production.

During this period more than 13 percent of the electrical power produced and marketed by the Federal Government was sold to privately owned utilities under contracts that did not provide for withdrawal, when the power was needed by preference customers. And much of it was sold at prices below the actual cost of production.

Who has benefited by the Democrat public power policy?

April 24, 1939: Arizona Public Service Co., contracted for 30,000 kilowatts of firm power.

March 16, 1940: El Paso Electric Co., contracted for 15,000 kilowatts of firm power.

July 15, 1940: Public Service Co. of New Mexico, contracted for 2,500 kilowatts.

May 29, 1941: South California Edison Co., contracted for 7.05 percent of the firm power at Hoover Dam.

April 11, 1945: Montana-Dakota Utilities Co., 5,000 kilowatts.

June 1, 1945: Community Public Service Co., region 5, 2,500 kilowatts.

July 1, 1945: Riverside Electric Co., Ltd., region 1, 7,541 kilowatts.

December 1, 1950: Community Public Service Co., region 5, 3,000 kilowatts.

December 15, 1950: Idaho Power Co., region 1, 2,000 kilowatts.

Here is the total record of such contracts from 1945 to 1952, made by the Bureau of Reclamation, Bonneville Power Administration, Southwestern Power Administration, and Southeastern Power Administration:

Contractor with the privately owned utilities	Number of contracts nonwithdrawable	1952 contract demand (kilowatt-hours)	1952 energy delivered (kilowatt-hours)
Bureau of Reclamation	33	32,720	2,733,815
Bonneville Power Administration	92	587,000	3,254,203
Southwestern Power Administration	36	149,000	237,018,525
Southeastern Power Administration	1	60,000	12,065,952
Total	162	828,720	255,072,495

The entire Democratic power philosophy seems to be that the savings in power costs, if any, at projects built at Government expense, should be passed on to those marketing agencies of a public nature, regardless of whether they use the power for public purposes or for resale to private users. In other words, the Federal Government should build all projects, sell the power to all comers, at cost or below, and then pass the cost back to the taxpayer. This is well illustrated by a memo by Harold Ickes on January 3, 1946, in which he stated:

> Active assistance, from the very beginning of the planning and authorization of a project, shall be given to the organization of public agencies and cooperatives for the distribution of power in each project area.
>
> The statutory objectives are not attained by merely waiting for a preferred customer to come forward and offer to purchase the power.

We Republicans do not understand public power in this sense. We understand it in the historical sense, that power, as all other resources, should be used for the benefit of the public. Preference must be given to those customers, whether State, local or private in organization, who devote this resource to the public good. This is the policy that went into the original reclamation acts and the Boulder Canyon Act, and it is the policy we are following today.

If the Democrats wish to draw the battleline upon the issues of irrigation, reclamation, and power, let them do so. If they wish to talk about public power and private power, let them do so. If they wish to talk about giveaway, let them do so. But let us find out whose giveaway it is. It is clearly shown by all records that the Democrats have violated over and over the preference clause in the sale of Federal power. Long-term contracts have been entered into which never would have been tolerated under the Republican policy of protecting preference customers.

Wisconsin Is Proud of Lester Johnson

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. REUSS. Mr. Speaker, the people of Wisconsin are understandably proud of our colleague, LESTER JOHNSON, from the Ninth Congressional District. LESTER JOHNSON represents a primarily rural part of the State, but he has shown a remarkably understanding attitude for the needs of city people.

LESTER JOHNSON understands that city and farm folk must work together for the common good of all Americans. He has always recognized that a prosperous industry and a prosperous agriculture are mutually interdependent.

The election of LESTER JOHNSON has brought to this House a man who appreciates the needs of an expanding economy benefiting both city people and farmers alike. LESTER JOHNSON's fine

support for city and farm legislation has exemplified for me how to act in the public interest.

It is gratifying that LESTER JOHNSON's colleagues in the House appreciate the outstanding job he is doing here, not only for the people of his district, but for all America.

Are We Losing Japan?

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. FEIGHAN. Mr. Speaker, in the July 17 issue of Parade magazine, a very significant article written by our distinguished colleague from Connecticut, the Honorable THOMAS J. DODD, appeared under the heading, "Are We Losing Japan?" This article is a brief, concise, and factual analysis of what has happened in Japan from the point of view of Communist subversion and long range planning during the approximately 10 years since V–J Day.

The author of this article has had long experience with tyrants and tyranny and knows from his hard, cold experience gained as chief prosecutor at the Nurnberg trials, the dangers which Red colonialism presents to our free way of life. Congressman DODD points out that "we have the ability, the courage, and the know-how to save Japan from being neutralized or, worse yet, turned against us, but time is running out." This highly informative article will be of interest to all the Members of Congress because Congressman DODD indicates what we ought to do with what time we have left if we want to save Japan from going neutral or being turned against us.

Under leave obtained, I insert the article in the RECORD:

ARE WE LOSING JAPAN?

(By Hon. THOMAS J. DODD, of Connecticut; member, House Committee on Communist Aggression)

The United States is in real trouble in Japan. The onetime enemy we had counted upon as the chief bulwark of freedom in the Far East is drifting farther and farther from the free world camp, closer and closer to the Communists and the neutralists. This was apparent in the recent Japanese election, when an assortment of leftwing, Communist-directed parties picked up enough seats to defeat our hope of Japanese rearmament. Now we are confronted with a rising tide of anti-Americanism, plus Russian-Japanese conferences that may drive a deeper wedge between the two nations.

Shocking things have been going on in Japan since World War II ended—things that have been kept from the American people by military government and censorship. As a result, our position on the critical Asian front is in jeopardy.

On the basis of personal conversations with informed Government officials abroad, testimony before congressional committees, and statements of Japanese, here are the facts as I see them:

Japan could be completely paralyzed within 24 hours by a Kremlin-called general strike.

Of 5 million organized workers, 3,500,000 are under the control of Communist-dominated unions. They are all in key industries and are directed by Moscow-trained experts.

Communists influence in education ranges from nearly 100 percent control of elementary-school teachers to 10 percent of the university graduates.

Japanese Diet (parliament) members who have been wooed and won on visits to Red China would take a neutral or anti-American stand in a crisis.

Japanese prisoners of war held for years by the Reds were given super-Communist training and are one of the best trained party cadres in the world.

All these Communist gains were scored while our Army of Occupation controlled Japan. How? Responsible members of government say the infiltration began when we permitted Russians aboard the U. S. S. *Missouri* for the signing of the Japanese surrender. That was the signal for Kremlin-directed agents to move in. They have made their biggest strides in the fields of labor, education and propaganda.

Under the noses of Gen. Douglas MacArthur and his staff, the Reds wormed into the labor unions on the pretext of broadening the base. This "broadening" process has now reached the point where 70 percent of organized labor is Communist-dominated. Only the farmers have resisted, and even with them the Reds have made headway. Their left wing "Japan Farmers' Union"—partly through confusion with the conservative "Old Japan Farmers' Union"—now has almost half a million members and rivals the older union in numbers.

The most tightly controlled Red union is the Japanese Teachers Union. Its devoted members, with practically complete control of the schools, drum into children the lessons of the party line: Japan wants peace—but the United States is an enemy of peace and the Chinese Nationalists have "sold out" to the enemies of peace.

The teachers further use their positions to electioneer, instructing children to urge their parents to vote for left-wing, pro-Communist candidates. This tactic helped the Reds gain strength in the recent Diet elections.

In the propaganda field, more than 20 of Japan's most popular and widely read publications are sponsored, published, owned or controlled by Communists. Thus, the two primary sources of education—schools and the press—are under Kremlin control.

Can we halt Japan's leftward drift, or even reverse it? What is the best the United States can hope for in Japan?

We can control the Red threat only by meeting it where it began—on the local level. Our propaganda program in Japan—and throughout the Far East—should be improved and increased. Truth is our strongest weapon. We should present it so that the teeming millions of Asia can understand it.

There is a vague hope that the recent upheavals in Moscow may reflect themselves in a struggle for control of the Japanese Reds. But that is wishful thinking. We need a positive, vigorous program that will help bring about economic recovery in Japan with resulting financial and political stability. Something must be done right now to take up the slack in heavy industry created by the recent election loss of the rearmament program.

A JAPANESE MARSHALL PLAN?

If the Marshall plan could meet and defeat communism in Western Europe, a similar plan can do it in Japan. We must start thinking and working now toward the day when Japan will be able to take her place in the Southeast Asia Treaty Organization.

Another weapon in our battle for Japan is the tariff. Recently, Congress gave President Eisenhower the power to lower tariffs over the next 3 years. Perhaps, in the great need to rehabilitate Japanese economy and trade, he will find that special measures must be taken to defeat Communist expansion there.

And the turbulent political situation in Indochina also affects Japan, for that country long has been Japan's breadbasket. Now that half of Indochina has gone to the Communists and the other half is menaced, the problem of Japanese communism is tightly tied to the problem of communism in Indochina. The fall of southern Vietnam to the Reds might nullify all the progress made in Japan since the war.

I believe that we have the ability, the courage, and the know-how to save Japan from being neutralized or, worse yet, turned against us. But time is running out. While we mark time, Communist propaganda goes unchecked and the Red octopus spreads its tentacles ever farther into the economic and social life of Japan.

Land for Security Assembly of the Jewish National Fund

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. MULTER. Mr. Speaker, I wish to share with our colleagues the great pleasure and satisfaction that I received from attending the Land for Security Assembly of the Jewish National Fund.

The four-day Assembly which began on March 10 at the Willard Hotel in Washington, D. C., was truly historic. Its significance reaches far beyond the American Zionist or the Jewish people as a whole. Indeed, there are many lessons to be learned from this Assembly and from the ideals and actions of the Jewish National Fund.

This meeting recognized and evaluated a movement that is unique in the history of man's efforts to achieve dignity and security in a troubled world. The Jewish National Fund was begun in this country in 1901. It was founded on a dream, conceived by Theodor Herzl, the prophet of Zionism. It took as its objective the redemption of the undeveloped soil of Palestine for the Jewish people. Land—arable and productive—is the common denominator of all peoples. Without it, there is nothing; only with it, can real progress be envisioned.

The method and plan used by JNF was quite simple: to solicit funds from Jews everywhere to be used to purchase land in Palestine which would eventually become a national Jewish home. The significance of this movement became even greater with the ravages of two world wars and the martyrdom of six million European Jews.

The advent of the State of Israel in 1948 enabled JNF to intensify its efforts. It could now concentrate on making the Israeli land productive and militarily secure from its hostile neighbors. What this meant to the leaders of JNF was the planting of trees on a grand scale, the irrigation of "useless" desert lands and the reclamation of swamp

areas. A heroic effort was, and still is, being made to make the limited resources of Israel do the best possible job. The situation is desperate, but there is no other way that Israel can support its rapidly increasing population and still remain true to its democratic principles.

This Assembly was an opportunity not only for spiritual rededication, but also for practical planning. A five-year plan was endorsed which will make available an additional $53 million for the JNF program. Important stress was placed upon the Foundation. The Foundation is an instrumentality set up by JNF as a means of receiving the proceeds of insurance policies and testamentary bequests for its important work.

A new agency—the Joint Authority for Public Land—was initiated to coordinate the activities of government agencies and JNF in administering the precious landholdings of "the Jewish people." All these are very real gains in a long struggle.

The inspiring messages of the many eminent speakers at the Assembly brought home to all of us who were present the soundness of the JNF ideal and the humanity of the JNF principles. Nevertheless, the sobering tones with which the job ahead was described showed a feeling of great anxiety. The task is a very great one, and the world situation poses critical economic and political problems.

The land acquired and redeemed by JNF is held in perpetuity for the benefit of the Jewish people who live in Israel. Those who use it pay a nominal rent as long as they occupy and utilize it. The rent income to JNF is used to acquire and develop additional land.

In making the presentation of a plaque to Senator ALBEN W. BARKLEY, as a memento of the Barkley Forest in Israel, I said in part:

We have chosen to honor tonight one of the truly all-time young statesmen of our day. He has participated in the Jewish National Fund for many, many years. Many is the time he visited the White House and headed our cause, the cause of Zionists, the cause of American Jews, and the cause of Israel.

I think we will have done the appropriate thing tonight when we present him with the Barkley Forest—a forest of trees which mean hope, faith, security, and, above all, peace. Wherever Jews go, the one thing they preach and teach by word and action is Sholom—Peace. The gentleman we honor tonight is one of the greatest exponents of peace that our times have produced. It is with a great deal of pleasure that I present to him this very beautiful plaque as a memento of the presentation of the Barkley Forest.

The text of the plaque reads:

The Jewish National Fund of America presents this citation to Honorable ALBEN W. BARKLEY, in grateful recognition and heartfelt appreciation of his career of outstanding statesmanship, his matchless and unceasing efforts in behalf of democracy and humanity, his invaluable and unforgettable aid in the establishment of the State of Israel, his full comprehension of the social significance of the ideals underlying the land program of the Jewish National Fund, and his untiring efforts in espousing its ideals and in bringing its message to the American people. In token of our esteem for him as a great American, a great leader, a champion of the cause of Israel, this Citation is presented on the occasion of the dedication of the Alben W. Barkley Forest in Israel, contiguous to the Harry S. Truman Forest, thus forever linking America's two most illustrious names with the eternal soil of Israel, towards which he has given of his great gifts.

In witness whereof we have subscribed our names and affixed our seals this 13th day of March, 1955.

HARRIS J. LEVINE,
President.
MENDEL N. FISHER,
Executive Director.

The "Veep" responded in part as follows:

God made the land like he made the tree, and he never intended that land should be the monopoly of any small group. Many of our troubles now in many parts of the world would never have overcome the world if there had been proper land distribution and if governments had kept their word with the people in the distribution of the land for their use and cultivation. The Jewish National Fund has been the forerunner of the economic life of this new State of Israel, and the State of Israel is one of the miracles of modern times.

I have always been proud that our Nation was the first to recognize it. In response to its membership in the United Nations, we helped it. We have always been a friend of Israel and a friend of the Jews, and no act of any kind, by any individual or anyone in an official capacity, can convince me that the American people are not, still, and will continue to be the friends of the Jewish people and friends of the State of Israel.

A few brief excerpts from some of the fine speeches delivered at the Assembly are as follows:

Senator RICHARD L. NEUBERGER of Oregon said:

Individual citizens should make the same investment in Israel today that our Government ventured a century ago in the development of the American West. Without such investment, our West never would have been settled or developed.

Dr. Israel Goldstein, honorary president of the Jewish National Fund, spoke as follows:

This conference is an appropriate sequel to last week's conference. If last week's conference may be compared to the signal corps of an army, this week's conference is the infantry who do the leg work.

Dr. Harris J. Levine, president of the Jewish National Fund, spoke as follows:

The Jewish National Fund is an association of Jews throughout the world, with headquarters in Jerusalem, concerned with the reclamation and development of the soil of Israel in preparation for the settlement of large masses of Jews fleeing from persecution and in search of a haven and a new lease on life in the land of their and of our forefathers. As an organization dedicated to peace we have but little interest in military affairs.

Dr. Max Nussbaum, Los Angeles Zionist leader, spoke as follows:

It is upon us as Jews to imitate God and to fulfill what our historical movement has promised—to make Israel a homeland for our people and a blessing to mankind.

I'm certain that you will all join me in wishing for the Jewish National Fund continued success.

Address by the Honorable Richard M. Nixon, Vice President of the United States, at the Dedication Exercises of the National Shrine for the Jewish Dead, Jewish War Veterans, U. S. A., National Memorial, Inc., May 22, 1955

EXTENSION OF REMARKS
OF
HON. DeWITT S. HYDE
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. HYDE. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include an address made by Vice President NIXON before the members of the national executive committee of the Jewish War Veterans at the dedication exercises of the National Shrine for the Jewish Dead, on May 22, 1955:

Commander Dorfman, Commander Barr, Rabbi Goldberg, distinguished guests on the platform, and ladies and gentlemen, I want you to know that I consider it a privilege to have been able to rearrange my schedule, as Commander Dorfman has indicated, to be with you today to participate in these very solemn ceremonies.

It is true that the Vice President of the United States does have a number of official functions to perform during a week or during any particular day but I can assure you that there is not any one of them that I consider a greater honor or a greater privilege to perform than to be with you today.

This shrine which we are dedicating is one which I think can mean and will mean in the years ahead a number of things. Might I suggest just three things I think it would mean to me and, perhaps, to you and the American people.

First of all, it is a shrine which will be a reminder of the splendid contribution made to American life by the organization which has been responsible for its erection, the Jewish War Veterans. I think we all are appreciative of what has been done by Commander Barr and others who conceived the idea of the shrine and then worked through the years until finally the idea has reached fruition. And then, second, this shrine will be a reminder for all Americans of the tremendous sacrifices and the great contribution made to America by Americans of Jewish faith in the wars in which this country has been engaged.

There are men like the Congressional Medal of Honor winner who was introduced just a few moments ago, Ben Kaufman; a man who was honored for his gallantry by nine Allied Governments in addition to our own, and a man who proved his greatness by refusing a commission so that he could stay in the ranks with the men with whom he had fought and for whom he had done so much.

He was a World War I Congressional Medal of Honor winner. Then, in World War II, there were other Congressional Medal of Honor winners of Jewish faith. Isidore Jackman, for example, was one man who made a great contribution—a paratrooper who because of his bravery was able to save the lives of perhaps a whole company to which he was attached.

And then, in addition to these men who have made such great sacrifices and whose contributions have been recognized by the government of their country, there are the thousands of others who had to do their routine jobs—routine jobs which had very

little glamor but necessarily had to be done in order for the victory to be won. This shrine will be a reminder of the contributions they made as well as the contributions that were made by those whose exploits won the applause of the whole Nation and of the Congress of the United States through the award of the Congressional Medal of Honor.

And I was thinking, too, that this shrine might be a reminder of men of Jewish faith who have made contributions during our wars and have not even been members of the armed services but whose contributions, nevertheless, were perhaps as great.

In studying the history of the Revolutionary War, certainly there was no greater hero than Haym Salomon, the man who, time after time, came to Washington with the funds to pay the troops, to take care of the rations, and to provide the necessary equipment to assure victory.

His contribution, it has been estimated, would be $4 million in terms of money as we know it today. And the extent of his contribution is measured by the fact that he died penniless at the age of 45.

And so this shrine will be a reminder of the contributions made by the heroes, by the men in the ranks, and by those who have contributed in other ways than military service to defending this country. But I think it is more than that. I think we should have in mind, as American citizens, that this shrine, in a sense, is symbolic of the greatness of America.

I like to think of America's because no nation has had in modern times a greater history than ours. It is rather difficult to realize that it was only 160 years ago that there were only 3 million people in this country and that today there are 160 million. But 160 years ago there were only 13 colonies joined together on the Atlantic seaboard. Now we have a great continental power of 48 States, with Territories in other parts of the world as well.

It is hard to realize that that small, weak agricultural economy has grown to the point that today the United States produces over one-half the world's goods. It is hard to realize that a country that was despised by the rulers of the world as being too weak because it gave men too much power and gave governments too little today is recognized as the most powerful nation on the face of the globe.

Now how did it happen? You can give a lot of reasons if you ask different people why America has progressed as it has. I know some will say that America has become great because it has had great natural resources. That is part of the reason, but not all, because other nations have had resources as great as ours and they have not progressed as we have in that period of time.

Then there are others who will give the answer that America has become great because we Americans have been and are a great people; but who are the American people? This is no master race. Americans came from all the continents, from all the countries of the world. All races, all creeds, all religions are here. It is inscribed in the immortal words of Emma Lazarus on the Statue of Liberty: "Give me your tired, your poor, your huddled masses yearning to breathe free." And so they came to America and, in the climate of freedom that men and women found here, their energies were released and they made contributions to progress greater than men and women had ever made to a civilization in the history of mankind.

And so, as we analyze America's greatness and the reasons for it, I think that we are a great Nation because we have recognized some fundamental truths.

We have differences in our country, differences in customs, traditions, and religions, but we have also recognized that if we have respect for our differences and if we have common beliefs in great principles of freedom, equality, and justice for all, we can transcend those differences, we can thereby create a united people whose power will be as great or greater than any people on the face of the earth. That is the American's creed. It is what America stands for. It has been and today is the hope of the world.

And so, as we dedicate this shrine, I say let us think not only of the organization which made it possible. Let us think not only of the men who have made sacrifices to whom this shrine is specifically dedicated, but let us also think of the country, the Nation, our Nation, which this shrine symbolizes.

And let us never forget that men in the past in the wars in which America has engaged have been willing to make the supreme sacrifice to defend our principles and our freedom, and that, in the future, the responsibility of military service which falls upon our young people is not one which should be shirked.

It is not one which should be complained about, but it is one that should be accepted as a privilege, a privilege to give our services in maintaining and perpetuating our great Nation in which we are privileged to live.

It has been an honor to be with you. And I trust that through the years this shrine will be a reminder of the principles which have made America and our people the great Nation and the great people we are.

The Big Four Conference at Geneva

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. BURDICK. Mr. Speaker, you will recall that last week I gave an outline of what I thought of the Big Four Conference at Geneva, and without claiming too much for myself I can state that the result was just what I expected. Knowing the Russian communistic philosophy pretty well, I could forecast that the Russians would shy away from a united Germany and would not discuss Russian aggression. They were nice and smiled better than they have before, yet the communistic determination to spread their propaganda beyond their own borders was as insistent as ever. They did not call us names, as Vishinsky and Molotov have religiously done before, but they opposed us as solidly as ever on essential points.

President Eisenhower performed admirably and, I think, did break down the barriers of ill-feeling against the United States that the Russians in their propaganda had succeeded in building up. From the great newspaper spread of President Eisenhower's speeches, the world has been officially advised that the United States seeks nothing but world peace, and that we were sincere in our efforts at Geneva to bring about world peace. I think the position of the United States has been so admirably put before the conference by the President that even if there is nothing agreed to, we have gained by the conference.

The President did not surrender any rights of the United States and made it perfectly clear that we would agree to a reduction in armaments, provided there was a clear and complete inspection of the arms program of our potential enemies. The President played a trump card when he said we would offer for inspection of any of the big or little powers our armament blueprint if Russia would do likewise, conditioned on a free inspection of the arms buildup of those with whom we sought a limitation of armaments. The Russians did not accept this offer, and the world ought to see that the United States is acting in good faith, but reserving the power of self-defense against any nation that may not be sincere. The Russian word has been so many times repudiated that unless a thorough inspection of Russian armaments were made a part of the general curtailment of armaments, the bare agreement to disarm would be only a gesture and might, as it has in the past, be a gesture to our great damage, as was the sinking of our fleet in the Gulf of Mexico.

The President is to be congratulated for putting his statements right on the line and in doing so gave up nothing in concessions as was done at Yalta and Potsdam. The President meant just what he said, and I am sure he has the backing of 99 percent of the people of the United States. I feel that the position of the United States is much more understood by the world than it was before the conference, and that the attempt on our part to bring about world peace was not in vain.

Schenck To Confer With Residents of His District

EXTENSION OF REMARKS

OF

HON. PAUL F. SCHENCK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. SCHENCK. Mr. Speaker, it is my high honor and great privilege to represent the very important Third District of Ohio here in the Congress of the United States. I am humbly grateful for this opportunity to be of service and it is my constant aim to represent all of the people of my district in the very best and most sincere manner possible. It has also, Mr. Speaker, been my constant policy to keep in close personal contact with all of the people of the Third District so that I may know their opinions and feelings in the vital and challenging problems with which we are faced here in the Congress.

Our Third District, Mr. Speaker, is located in the great and beautiful Miami Valley of Ohio. The people of this area have made many outstanding contributions to the health, welfare, and progress of our Nation and the world. Not only is it the birthplace and cradle of aviation but many of its other inventions and

products are serving people all over the world. Our people are skilled in many ways and we have developed scientific projects, manufacturing, and agriculture to an unusually high degree.

It has been my constant aim, Mr. Speaker, to not only keep well informed as to the opinions of my constituents but also to be of the greatest possible and proper service to each and every person in the Third District who has a personal problem with some department or agency of our Federal Government. Therefore, Mr. Speaker, I initiated the idea of holding "grassroots conferences" throughout the district 4 years ago and have continued to hold them each year during the time Congress is in adjournment. I also have a full time congressional service office at 314–315 United States Post Office Building in Dayton, where I can meet with people personally at such times as my official duties permit me to return to the district. During the times when my legislative and official duties require me to be in Washington, a competent secretary is in charge of my district congressional service office to assist anyone and to prepare reports and requests for me to properly help them in their problems involving some Federal department or agency. Thus, Mr. Speaker, I have sincerely tried to not only keep well informed as to the personal opinions of my constituents but I have also continuously and sincerely tried to be of every proper service to them.

Members of Congress, Mr. Speaker, as you well know, are constantly called upon to carefully and earnestly consider legislation in connection with many complex national and international problems. Such decisions often affect the lives and living of every citizen to an unbelievable extent. These personal, face-to-face conferences, therefore, help me to serve them in a much more effective manner.

Again this year, Mr. Speaker, I will take time during the period of our official congressional recess to hold these "grassroots conferences" in the courthouses and city buildings of a number of our communities. Facilities for these conferences have been made available through the fine cooperation of many officials who agree with me on the value of this service to all our people.

This is the schedule I have arranged:

Hamilton, courthouse, September 6 and 7; 9 a. m. to 4 p. m.

Miamisburg, city building, September 8; 4 p. m. to 8 p. m.

Germantown, city building, September 9; 4 p. m. to 8 p. m.

Brookville, city building, September 10; 4 p. m. to 8 p. m.

Dayton, Federal building, September 12 and 13; 9 a. m. to 4 p. m.

Middletown, American Legion, September 14 and 15; 9 a. m. to 4 p. m.

Oxford, municipal building, September 16; 4 p. m. to 8 p. m.

Fairfield Village, town hall, September 17; 4 p. m. to 8 p. m.

It is surprising, Mr. Speaker, and highly gratifying to see how much can really be accomplished when a citizen and his Congressman can sit down face to face and talk over national and personal problems. The growing number of people each year attending these conferences is most encouraging. No special time appointments are necessary. I urge, Mr. Speaker, that any individual or group meet with me on the date and at the place most convenient to them. With the knowledge obtained from these "grassroots conferences," Mr. Speaker, I am enabled to render better legislative and personal service to all of the people of the important Third District of Ohio here in the Congress of the United States.

Report to My Constituents

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. MILLER of Nebraska. Mr. Speaker, the Congress is nearing adjournment, and its stamp has been impressed upon many vital phases of our life. It is advisable to pause and reflect upon the accomplishments of the first session of the 84th Congress. I have always followed this plan at the close of each session of Congress.

The Fourth Congressional District is one of the finest districts in the United States. The people are considerate, understanding, and 100 percent Americans. It has been my privilege for the past 13 years to serve the people who live in these 38 counties in central and western Nebraska as their Representative in the most important and powerful legislative body in the world. I have at all times tried to be a conscientious elected servant to all of my constituents, regardless of their political affiliation. I am elected to represent all residents of the Fourth District. In making this report, I want the people to know how I have voted on legislation. I want them to know my philosophy of government, and I want them to know how I feel about the problems facing our Nation and the world.

It is incumbent upon all of us in the Congress to keep in touch with the citizens as closely as possible, and it is our duty to keep them informed because the intelligent citizen and the voter is the one who is the best advised. In this interest, I write a weekly newsletter that goes to 84 newspapers, 13 radio stations, and about 900 friends in the Fourth Congressional District. For 13 years I have recorded a weekly radio program entitled "What's Happening in the Nation's Capital," which is now broadcast by the following radio stations: KMMJ and KRGI, Grand Island; KODY and KNBR, North Platte; KGFW, Kearney; KNEB and KOLT, Scottsbluff; KCOW, Alliance; KCNI, Broken Bow; KRVN, Lexington; KSID, Sidney; KCSR, Chadron, and KOGA, Ogallala. We try to make these programs as informative as possible, and have been privileged to interview as our guests many Nebraskans visiting or working in Washington.

GOVERNMENT CLINICS AND QUESTIONNAIRES

In the off-election years I conduct "government clinics" at each of the 38 county seats in the Fourth Congressional District. The first hour is a "Youth Wants To Know" program. The last hour is for interested citizens who may attend. I am not there to make a speech but to render an account of my stewardship in the Congress and to answer any questions by the audience relative to our Government in Washington. The people may not always agree with my views or the way I have voted on the many bills in Congress; they may be right, and I may be wrong, but I do believe they are entitled to know how and why I have voted on the issues. The questions asked at these clinics—averaging about 50 in each 2-hour session—have been most helpful to me.

Every 2 years I prepare questionnaires dealing with many of the important current problems, and mail them to the 84,000 boxholders in the Fourth District. In alternate years I also send out farmers' bulletins. The response has been most encouraging and helpful.

It has been my practice for many years to attend a large number of county fairs and fall festivals, or other similar celebrations, so that I may have a chance to meet and talk more closely with the people I represent. I also try to keep as many speaking engagements as possible, before civic, farm and church groups in the district, when the Congress is not in session.

When we are in session, I seldom leave Washington, and have had to turn down many kind invitations to appear at various functions in Nebraska. The folks at home elected me to represent them as their Congressman, and if I am to do a good job, I must answer the rollcalls, attend the sessions and the meetings of my committees. The record will show that I have attended nearly every meeting of the House and my committees, and have missed few if any rollcalls.

WORLD PEACE

Mr. Speaker, I view the events of the past 6 months with mixed emotions. There are many things I believe we can enter on the plus side of the ledger. Here are some of them: First, and for this the whole world should give thanks, there is peace all over the face of the earth for the first time in many, many years. This is due, in great part, to the magnificent leadership of President Eisenhower. The Korean war was stopped shortly after President Eisenhower took office, and the battle fires that threatened Indonesia, China, Formosa, and the offshore islands, flickered briefly and died. It was reassuring that the President asked Congress for its advice by endorsement of the Formosa defense policy, showing a mutual confidence that has not existed for many years.

By taking the initiative in foreign affairs, the President arranged and attended meetings "at the summit" with the leaders of Russia, France, and Great Britain, to explore ways and means for nations to live together in peace. He has kept the people informed.

There will be no secret deals as at Yalta or Potsdam out of these top meetings.

PROSPERITY

With peace, we now have a prosperity that has never been equaled. The value of the dollar has been stabilized, and has varied only a fractional percentage point in the past 2 years. Wages have reached record heights and continue on a steady incline. We are producing and selling more goods than ever before, with the highest national income in our history.

Great advancement has been made in the development of the atom for peaceful purposes. What was once the greatest destructive force the world has ever known will soon become an equally great tool for man's preservation. All this has been made possible because our scientists have been able to concentrate more and more on the peaceful application of their tremendous knowledge. Much credit should go to the President and his administration for their part in encouraging peacetime uses of atomic products.

Work stoppage, and production and income loss through strikes is at an all-time low. In all our history employment has never been higher, and unemployment lower, than now. College graduates, particularly those with technical skills have never before faced such a bright future. All young men and women can look forward to better economic rewards and a higher standard of living than at any other previous time.

LOYAL GOVERNMENT

We can also be proud of the Government house-cleaning job that has been accomplished by the Eisenhower administration. Many thousands of unnecessary Government jobs have been eliminated. Security risks have been rooted out by the hundreds. By the end of June 1955, a total of 59 top Communists have been convicted in the Federal courts since this administration took over approximately 2 years ago, compared with 31 during the period 1948 to 1952, and none during the 1940 to 1948 period. This is not a "government by crony." The influence peddlers and 5-percenters have left Washington for greener pastures; there is no longer a market for their services in the Nation's Capital. Many significant income tax fraud cases, hushed up by previous administrations, have been brought to light and prosecuted. Honesty and confidence in government have been restored. Wrongdoing is not tolerated by the President.

TAX CUT

Last year's Republican-controlled 83d Congress gave the people a $7.5 billion tax cut—the first in many years, and the largest ever. I am confident that, if President Eisenhower's program can be adopted and carried out, another tax cut will be forthcoming in 1956.

BALANCED BUDGET

This administration, in 2½ years, has come a long way toward balancing the budget. In the 1952 election campaign, Mr. Eisenhower publicly promised to cut Government spending and to bring our fiscal policies back to sanity. The deficit has been cut from the inherited $9.5 billion to an estimated $2.4 billion. The Secretary of the Treasury states further that if revenues continue at the present rate, and if economy moves proposed to the Congress can be carried out, this deficit will be wiped out and we will finish fiscal 1956 with a balanced budget.

GOVERNMENT SPENDING

Government spending has been reduced. In 1952 the Government spent more than $80 billion. We are now presenting an improved, more efficient Government, with more service to the people, for approximately $20 billion less. Even with the high requirements of the defense program, increased veterans' benefits, accumulated interest on the national debt, extended social-security benefits, enlarged atomic research and development programs and many innovations of the Eisenhower administration, during each year since 1952, the Government has spent less and less money. We are doing so by increased efficiency, less waste, and a forceful businesslike approach to this business of government. This was long overdue.

POLITICS

The work of the 84th Congress presents an interesting picture. The executive branch is controlled by the Republican Party, the Congress by the Democrats.

With presidential and congressional elections coming up in 1956, it is somewhat a time-honored tradition that much of the legislation and maneuvering will be aimed at these 1956 campaigns, and that the party out of control of the executive branch will devote a great part of its time to creating political issues. Throughout the session the Democratic leadership was trying desperately to find some issues on which to obtain public support and discredit the Eisenhower administration. These efforts ranged from squirrels, golf, the President's churchgoing, and Mrs. Eisenhower's health. The Democrats are attempting by this method to confuse and frustrate the President' efforts, because they have no real issues. It is hard to fight prosperity and peace. The Democratic controlled committees have kept their eyes on the political barometer. Other politically filled issues: the $20-tax cut, the postal pay raise, the highway bill, and much legislation originally suggested by the administration, but changed to give it a Democratic flavor.

AGRICULTURE

One of the dark spots on the picture comes from the trouble farmers are having in meeting rising costs with falling income. The Government storehouses are bulging with approximately an $8 billion surplus of many crops supported and urged during wartime. In wartimes these surpluses are not even called surpluses; they are blessed reserves. But in times of peace, they can sometimes become a problem. We are doing everything we can to help the farmers share in the prosperity, through improved research, increased markets, assistance programs, and other plans that are being explored by the Congress and various departments of the Government. I have great confidence, too, in the ability of the farmers to solve many of their own problems. I believe agriculture is over the hump and better days are ahead.

SOCIAL SECURITY

The social-security law was broadened to include most of the professions, excepting medical doctors. Women are now eligible for retirement benefits at age 62 instead of 65. Disabled persons may draw social-security payments beginning at age 50; and the tax will be increased from 4 percent to 5 percent beginning January 1, 1956, if the House bill is approved.

IRRIGATION AND RECLAMATION

I have sponsored five bills in this session of the Congress dealing with and directly affecting irrigation, reclamation, and flood-control projects in Nebraska. One provides for Federal-local partnerships in small irrigation projects, similar to the bill I introduced in the 83d Congress.

A second would authorize the Bureau of Reclamation to begin construction of the Ainsworth irrigation project, which was included in the Missouri River Basin project by an earlier law.

A third would create a partnership between the Federal Government and the Midstate Reclamation District in Hall, Buffalo, and Merrick Counties, for irrigation and power on the Platte River.

A fourth provides for construction of the Farwell irrigation unit on the Middle Loup River, another facet of the Missouri River Basin project.

A fifth bill would authorize the Corps of Engineers to build several small flood control and conservation dams in the Gering Valley on the North Platte River. The need for such a project was recently emphasized by the heavy rains and resulting flood damage in that area.

It is my belief that the Congress must continue to cooperate in the planning and construction of irrigation and reclamation projects so long as they are sound and will pass the rigid tests of physical and economic feasibility. Money spent for irrigation and reclamation projects is a wise investment in the future of America. Water on good land at the right time produces crops and brings security and new wealth to a community.

ADJOURNMENT PLANS

I plan to return to Nebraska just as soon as the Congress adjourns, and I am looking forward to meeting and talking with as many of my friends in the Fourth District as time permits. I will attend many of the county fairs, rodeos, and other celebrations, and visit with as many service clubs and church groups as possible. I will hold Government clinics in each of the 38 counties in my district, beginning around the latter part of September and ending about a month later. Complete schedules will be sent out later. I hope the schools and public will again take an active part in these public forums. It is always good to get home.

Berea College Centennial Award to Hon. Earle C. Clements, of Kentucky

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, July 27, 1955

Mr. BARKLEY. Mr. President, on July 1, 1955, Berea College, one of the outstanding educational institutions of Kentucky, conferred upon my colleague [Mr. CLEMENTS] the Berea College centennial award. On that occasion, the Senator from Illinois [Mr. DOUGLAS] delivered an outstanding address, and my colleague from Kentucky made some striking remarks in accepting the award. I ask unanimous consent that both these addresses be printed in the CONGRESSIONAL RECORD.

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

ADDRESS BY HON. PAUL H. DOUGLAS, OF ILLINOIS, AT BEREA COLLEGE, BEREA, KY., JULY 1, 1955

I feel distinctly honored at being included in the ceremonies here at Berea tonight in honor both of the college and of my good friend, Senator CLEMENTS.

This is my first trip here. But like most Americans I have long known of Berea and have always admired you. You have done remarkable work in the span of a century. This institution with its buildings and grounds, in comparison with the one room schoolroom of 1855, is tangible proof of that. But far more compelling are the tens of thousands of your graduates and former students. They have lived far better and more interesting lives because they studied and worked here. They have been better farmers, artisans, professional folk, better husbands and wives, better fathers and mothers, better citizens and more truly religious men and women. Through them the good seed of Berea has taken root in innumerable communities and has reproduced itself a thousandfold.

What, we may ask, has been the secret? Why has the experiment been such a success? For if we once know this, not only can the good work continue here even more successfully, but the same principles can be applied elsewhere where the conditions are substantially similar.

I suggest that in the first place, Berea, through its faculty and supporters, has always had a deep concern for people and for its students. This college has, in the best sense of the word, had a religious concern. Students have felt a warm care and affection here which has made the world seem more friendly and which has helped to draw out their best. True religion has entered their lives more fully and has stayed with them.

Secondly, the subjects in the course of study have been well and thoroughly taught. Intellectual slovenliness has not been tolerated. Study has been respectable and insisted upon. The teaching staff has been, and is, competent. Men and women who have graduated from Berea have received a good education. The training in science has been close to the top.

In the third place, Berea has successfully combined learning and labor. European education in the past has been for the leisured class and for the professions. Students were not expected to earn or help earn their living, and their training was either for the professions or for general culture. This practice has been largely copied in this country by colleges of liberal arts. I do not criticize this theory, but I think it is important to realize that it is not the only proper type of education. Such an education would have been ill-adapted to the Appalachian region which Berea has wisely chosen to serve. Berea has seen that education is not merely a preparation for life, but is primarily life itself. It has therefore organized the business of living so that students are largely self-supporting. Farm and forest, hotel and hospital, weaving, painting, and woodwork, as well as the housekeeping jobs needed to keep a community of 2,000 running, give young men and women a chance to work. This helps to pay their bills so that they earn their education. In working they learn the skills which women need for homemaking and men for farming, and many of the crafts. Work is democratized so that all share in the brotherhood of toil. At the same time there is ample leisure for study and for the spontaneous activities which bubble up out of social life. These are great achievements, and we salute Berea for them.

There is a further point. The founders of Berea took their Christianity seriously and believed that, as the seal of the college states, "God hath made of one blood all the nations of men." They took the Declaration of Independence seriously with its statement that all men were endowed by their creator with "certain unalienable rights" and that "among these are life, liberty, and the pursuit of happiness."

And so very quietly, but with conviction, they admitted Negro as well as white students and thereby tried to build better race relations. But half a century ago, the rising tide of intolerance caused the Kentucky Legislature in 1904 to pass the Day Act, prescribing segregation in both the private and public schools of the State. Berea contested the constitutionality of the statue under the equal protection of the law provisions of the 14th amendment, and carried the case to the Supreme Court. It is regrettable that the Supreme Court stood by its earlier decision of 1895 and upheld the constitutionality of the Day law. And in passing it is worthy of note that the one dissent to both decisions came from a sturdy Kentuckian, Justice John Marshall Harlan, who reminded his colleagues that the Constitution was colorblind.

Berea obeyed the law. It had to wait a long time before it was vindicated, but finally last year, a half century after the Day law, the Supreme Court reversed itself and by a unanimous opinion held that compulsory separate education is not really equal education since it tends to give an added inferiority complex to the children and members of the race with an inferior social position and thus handicaps them in the struggle of life.

After 50 years Berea was vindicated. All honor to the brave and noble men and women who stood for these principles when they were unpopular and who endured persecution for their devotion. All honor to this college for the way it has pioneered in human brotherhood.

And now may I say that Berea College honors itself tonight in honoring my friend, Senator EARLE C. CLEMENTS. You in Kentucky know and love him. So do we in the Senate. Like Earl Warren and ALBEN BARKLEY, he is a man who has steadily grown in politics. Honest and efficient county official for two decades, competent State legislator, a good Congressman, a fine governor, and a splendid Senator, Senator CLEMENTS has risen to every new set of tasks and has carried them out, not only with ability, but also with great sympathy and human understanding.

Senator CLEMENTS is now the number two man on our side of the aisle in the Senate, and I can testify that his influence is greatly for the good. He works hard, he has a real sympathy for the underdog, he knows how to get things done, his feet are on the ground, but are never stationary. He is in fact like Berea. Rooted in reality, he is a practical idealist.

It is significant that Senator CLEMENTS as governor expanded educational opportunities for Negroes and promoted integration in the training of nurses and in some of the State's higher institutions of learning. It is reassuring that his long-time friend and associate, the present Governor of Kentucky, manfully announced after the Supreme Court decision that Kentucky would obey the law.

There is a final point upon which I should like to close. Kentucky is a border State. It was this very fact which made the war from 1861 to 1865 so bitter since it divided relatives, friends and sections against each other. The struggle between North and South tore Kentucky apart. But with time has come healing and understanding. Kentucky as a border State can do much good in helping both sections to work out a common program. She is already doing much and this is one of the great contributions of EARLE CLEMENTS and our beloved ALBEN BARKLEY. It is also one of the contributions of Berea.

Without sacrifice of principle and really in extension of the century tested practical idealism of its founders and participants, the second century of Berea should be even more successful than its first.

ADDRESS BY HON. EARLE C. CLEMENTS, OF KENTUCKY, BEREA COLLEGE, BEREA, KY., JULY 1, 1955, ACCEPTING THE BEREA COLLEGE CENTENNIAL AWARD

I accept this centennial award as a symbol, not of my achievements, but of those whose work, whose prayers, whose ideals, whose citizenship, whose learning and whose courage made it possible for Berea to celebrate this 100th birthday.

There are times in every man's life when he sees—exactly at the moment something really fine happens to him—the three dimensions of his own life.

At such times, and they are rare, he sees with an awesome, sudden clarity himself as a yonng man working to build a productive life. And he thinks that he could have worked harder and better.

Then he sees himself in the present and he looks upon what he sees with the detached, objective eyes of a stranger. And he knows he doesn't deserve the honor of the moment.

And then, having glimpsed the past and the present, the third dimension of his life comes in focus and for an instant he watches himself in the future, a man grown old, a man whose only real riches are his memories.

This is such a time for me. Even as I accept the centennial award from Berea College, I am aware that in those days to come, when I am counting memories and not making plans, I shall withdraw, over and over again, this day and this moment from my storehouse of memories.

In the last century many ideas, many purposes, yes, many ideals, were born. And many died. But the ideals of Reverend Fee, founder of Berea, live on, tested by time and found imperishable.

I believe that the tragedy of this age is that there are so many goals in life to which so many men are blind.

There are all too few men and all two few institutions that teach us the goals of life that should challenge and inspire man. But your president, Mr. Francis S. Hutchins, as his illustrious father before him, is such a man. And your Berea College is such an institution.

Today we often hear of maladjusted youth. I believe that one reason for such maladjustment is that youth's capacities for good, its abilities to produce, to contribute, are not fully utilized. Youth demands tall

goals and high personal challenges. Youth wants, most of all, for us to believe in its ability to meet those challenges.

Berea provides youth with proper challenges and believes in the ability of its students to meet them.

I have known many of your graduates. As Governor, I was privileged to have in the office a young lady from your school, and from your town, Bobby Coyle Crosswhite. In my office in Washington, the first person one sees is a Berea student from Beattyville, Rosemary Porter Rorick, who, likewise, proves the value of Berea training. Because of my association with these and other students from Berea, I hold these views of this great institution.

This institution, this Berea of ours, is, I believe, an outstanding example of the equality of opportunity that was in the minds of our Founding Fathers. Here men's minds, not their money, are made welcome. Here man's ability to do good work is welcome, not his talent to get someone else to do it.

In a few minutes we will see the production Wilderness Road, and I look forward to it, because at the time you were holding your baccalaureate services, Sunday, June 5, I "commenced" a journey to the Far East. In southeast Asia and in the western Pacific, I found another kind of wilderness road.

Not the kind we know, a wilderness of forests. No; the wilderness road I saw, stretching from Korea to Japan, to Formosa, to the Philippines, to that little island called Quemoy, to Indochina, to Thailand. This wilderness road was overgrown not with the vines of nature but with the problems of man.

It is a wilderness because peace is a stranger to it; it is a wilderness because hope is a rare and priceless thing; it is a wilderness because mankind has yet to learn by heart the motto of Berea: "God hath made of one blood all nations of men."

But I believe today and standing here, that just as your ideals and the purpose of this institution, to promote the cause of Christ and to contribute to the spiritual and material welfare of the mountain region of the South, conquered the wilderness, that one day man will conquer in the Far East and elsewhere the wilderness of his mind and discover and maintain peace.

You conquered your wilderness with ideals, with prayers, with work. Men can conquer his wilderness with the same three. I have faith he will.

A Six-Point Plan for the Older Worker

EXTENSION OF REMARKS

OF

HON. CHARLES E. POTTER

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Wednesday, July 27, 1955

Mr. POTTER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by Under Secretary of Labor Arthur Larson at the eighth annual conference on aging, University of Michigan, Michigan Union, at Ann Arbor, Mich., on June 28, 1955.

I am informed by the Public Printer that the speech is estimated to make approximately 2⅓ pages of the CONGRESSIONAL RECORD, at a cost of $187.

I ask unanimous consent that, irrespective of the cost, the speech may be inserted in the CONGRESSIONAL RECORD.

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

A SIX-POINT PLAN FOR THE OLDER WORKER

(Address of Under Secretary of Labor Arthur Larson)

Three days from now we greet the opening of the new fiscal year. It will bring us in the Labor Department something we have never had before: a special departmental appropriation devoted to the older worker—enough to provide about 30 full-time jobs.

When I saw the theme of this conference, with its unmistakable deeds-not-words tone, I thought that this might be a good time to announce our designs for the year ahead, which are made possible by the understanding and insight of men like Senator POTTER and others on our Appropriations Committee who approved this request.

We have a six-point plan which we mean to carry through, and which we think will make a real dent in the stubborn problem of age barriers to employment.

I would like to sketch the outlines of this six-point plan for you briefly here tonight.

But first—as the television commercials always begin—but first, a word about how we analyze the problem itself for purposes of contriving our line of action. I shall simplify—indeed, oversimplify—the analysis for this introduction, in order to maintain a reputation for conciseness which I at least have in the mind of my son. He came around the other evening while I was working to ask me a question. I said, "Why don't you ask your mother?" He replied, "Oh, I don't want to know that much about it."

First, we divide the matter of aging into its two big parts:

1. Retirement, and the general field of geriatrics; these are the province principally of the Department of Health, Education, and Welfare;

2. Employment of older workers, which is principally the concern of the Department of Labor.

The definition of "older" is necessarily different in the two areas. In the first area, it refers to people old enough to have to retire or to want to retire. In the second area, it refers to any point at which age is an obstacle to getting a job. This may be as young as 45 for a man, or 35 for a woman.

As to this distinction, we have a simple policy. We do not attempt to tell any person whether he should work or retire; we want to leave that to his free choice. Ideally, matters should be so arranged that those who want to retire can have the necessary security to permit retirement, while those who want to work can have the necessary job chances to permit employment. No one—least of all the General Government—is wise enough to make that choice for another person.

Second, having narrowed our subject to that of employment of older workers, we in the Department of Labor divide the occasion for action into two main heads:

1. From the individual person's point of view, we believe that our American traditions dictate that every worker should have an opportunity to do work commensurate with his abilities and potentialities.

2. From the economy's point of view, we believe that the Nation needs the skills and experience of all its workers, including the older workers, more than ever before, both to support the lively growth and change of American business enterprise, and to supply the strength which is expected of us in helping to keep the world free in time of international strain or emergency.

Here again we have a clean-cut policy, which is much broader than the older worker question. We believe that every person should have employment opportunities, and that the country needs the services and talents of every person, without senseless discriminations based on age, sex, race, or irrelevant physical handicaps. What we say about impediments to employment or training or advancement based on age is the exact counterpart of what we say about the same impediments encountered in some circumstances by women, or by minority groups, or by the physically handicapped. We hold, first, that they should be hired, trained, and promoted solely according to ability; and, second, that unless this course is followed the Nation will be gravely enervated at a time when the need for skills is crucial.

To recognize the duality of our motivation is to spare us the error of supposing that what we are doing is big heartedly lifting a social burden for reasons of compassion. Such an approach is both patronizing and unsound, and it certainly will not produce results.

The only promising approach is to recognize that it is good self-interested business for the employer to hire the older worker and good self-interested statesmanship for the Nation to grasp this valuable economic resource.

Having got this far, the matter is narrowed to two more questions: Are these older workers indeed willing and able to work, and are there suitable jobs available?

Willing? Clearly yes. Only about 5 percent retire voluntarily while in good health. We should be happy that this is so. It means much for our productivity. It means more personal satisfaction to the person. And it means a lightening of the social cost of pensions, which otherwise might rise by billions of dollars.

Able? Yes. Such knowledge as we have gained from the fragmentary studies that are available teaches us that arbitrary age barriers are no longer justified by experience or by physiological fact.

Are there suitable jobs at hand? Yes. We assume, of course, a healthy, vibrant, ever-growing business life in this country. And we must be alive to the fact that a change is going on in the nature of the demands made by current employment. Technological progress, including automation through use of electronic controls and the like, is doing two things at once: It is removing the features of employment, such as the requirement of muscular strength, which formerly put age at a disadvantage; and it is creating demands which put a premium upon those qualities associated with maturity—dependability, responsibility, judgment, breadth of experience.

Perhaps you saw the delightful cartoon in the last issue of the Saturday Review of Literature. It depicts a large modern plant, bearing the sign: "Engine-Block Division, Automation Plant." Finished engine blocks are pouring out the sides of the plant, breaking down the walls, and piling up into a mountainous heap outside. An agitated employee, driving up with a friend, exclaims: "Good God, I forgot to turn the factory off over the weekend."

(A mature worker would of course had the dependability to remember to turn off the plant.)

While the nature of jobs has been changing, the nature of the older worker has also been changing. He is physically a younger man than he used to be at the same age. Perhaps you recall Victor Borge's account of an interview with his father. His father said, "How old are you, son?" "Nine." "Shame on you," said the father, "at your age I was 12."

This is precisely what has been happening from one generation to another lately. Dr. Joseph H. Sheldon, president of the International Association of Gerontology, said at a meeting in Chicago last month, "This century's medical and social advances mean that old age begins at 75 rather than 60."

A parallel change has been going on in the educational level of the people involved.

Only 15 years ago, more than three-fourths of men in this country aged 55 to 64 had not gone beyond the eighth grade in school; less than one-fourth had had as much as 1 year of high school. Among the men who will form this 55-to-64 group 15 years from now, more than half have had at least 1 year of high school, and 1 to 6 have had some college. This is a development of profound importance at a time when industry is more and more demanding general educational background to meet the needs for flexibility and adaptability that go with current technological change.

All this drives us to a conclusion: The obstacles to employment of older workers are not inherent in either the nature of the work or the nature of the workers; the obstacles are man-made, and for the most part are based on obsolete misconception.

Now for our 6-point plan, which flows naturally from this analysis of the job to be done.

I. THE WORK QUALITIES OF OLDER WORKERS

The first thing we are going to do with our new appropriation is to make an analysis of the performance, productivity, absenteeism, accident record, dependability, attitudes, and faithfulness of older workers.

Businessmen are not going to hire older workers for sentimental reasons. They want to be shown that it is good business to hire the older worker. Evidently the various studies that have been made up till now have not sufficed to convince them.

Of course, we do not want to prejudge the results of this investigation. But you are all familiar, I am sure, with what some of the surveys have shown.

The University of Illinois studied over 3,000 workers over 60 in retailing, office, managerial, and manufacturing industries. Their supervisors rated them as follows:

Overall performance:	*Percent*
Excellent	14
Very good	28
Good	38
Fair	18
Poor	2

By comparison with younger workers, they were rated as follows on the various components of performance:

	Percent
Absenteeism:	
Less	66
Same	25
More	9
Dependability:	
More	51
Same	43
Less	6
Judgment:	
Better	33
Same	57
Poorer	10
Work quality:	
Better	34
Same	59
Poorer	7
Work volume:	
Higher	24
Same	56
Lower	20
Getting along with others:	
Better	32
Same	59
Less well	9

These results are generally confirmed by studies made by the National Association of Manufacturers, by the Bureau of Employment Security, by Jeanette E. Stanton in 1951 in a large midwestern department store, by the Industrial Conference Board, by the W. E. Upjohn Institute for Community Research which did a survey in Cleveland, by the Bureau of Labor Statistics in its analysis of absenteeism and injury experience in 1948, by the Federated Employment Service affiliated with the Federation of Jewish Philanthropies, by the Cleveland Welfare Federation in its 1952 study of women clerical workers, and by various others.

What we are hoping is that we will be able to make a study of such scope and authority that, added to existing studies, it will carry real conviction. Of course, we cannot do a definitive nationwide job; and we are aware of the difficulties of trying to measure some of the things involved. Some are plainly intangible, like dependability, and must be a matter of opinion and judgment. Others, such as productivity, are almost impossible to segregate and measure person by person. But, by building upon the experience of others, and by mustering our best technical and analytical talent, we will try to produce a result which will go a long way toward settling the No. 1 question underlying this whole problem: Is the older worker a good worker?

II. ARE PENSION COSTS AN OBSTACLE?

When employers are polled on why they hesitate to hire older workers, the commonest reason is that older workers are not as good in some of the respects we have just been talking about.

Let us assume that we have got a satisfactory answer to this argument; there still remains the second and most commonly ascribed reason: The higher pension and insurance costs for older workers.

If the premium paid on each worker had to carry that worker's own pension cost, the relation between premiums under a plan would run something this:

Entry age:	*Annual premium*
30	$326
45	668
55	1,486

The real cost, then, for a 45-year-old entrant is double that of a 30-year-old, and for a 55-year-old it is 4 times as much.

Of course, I do not mean to assert that insurance companies directly assess employers at these rates on a man-for-man basis under a conventional plan; but when this much disparity in real cost exists, it would not be surprising if one way or another it had the effect of discouraging the hiring of workers in the higher age brackets.

I have listened to arguments for hours and hours on whether pension costs are a real deterrent, or whether they are a mere excuse. Question No. 1 in our investigation will be: How much of a roadblock is this really? Question No. 2 will be: If it is a roadblock, how can it be got round? Some of the things that have been mentioned include minimum service eligibility requirements, waivers of pension rights, early vesting and pooling of funds, and special fund provisions analogous to second-injury provisions in workmen's compensation.

Here, too, I hope that we will once and for all get to the bottom of a question which has plagued us for years, and which is being aggravated by the continued spread of private pension plans. It is a matter that must be disposed of; for nothing could be more paradoxically poignant than the prospect of a beneficent movement, designed to help the old, backfiring and actually hurting them by blocking their hiring opportunities.

III. COLLECTIVE-BARGAINING PROVISIONS

The next two parts of our enterprise consist of learning as much as we can from unions and employers about the success of their efforts to deal with age difficulties in employment.

First, as to unions: we are going to do two things. We will start by analyzing the provisions of about 5,000 collectively bargained contracts to see what measures have been adopted dealing with the subject of age in employment. We hope to keep this analysis up to date every year.

Then we will select a sample of companies and trade unions operating under agreements having interesting age provisions, and find out by actual visits how these provisions are working in day-to-day operations.

We know that some very direct measures have been tried. Among the best-known are the contract clauses adopted by some electrical workers, bricklayers, plasterers, plumbers, granite cutters, and carpenters in different localities, prohibiting age discrimination in various ways. For example, 1 bricklayers' contract requires that "the employer, when engaging bricklayers for work, shall employ 1 man of 55 years or over out of every 5 bricklayers hired." In electrical workers' contracts you can find ratios as high as 1 to every 3 journeymen and as low as 1 to every 8 journeymen. The age for which the ratio must be observed may be as low as 40 to 50 years, and as high as 55 or even 60 years.

There are many other kinds of clauses affecting the age question; these are merely the most straightforward. They are of particular interest because every so often someone comes forward with a suggestion for legislation which would apply this ratio principle to all employment by force of law. This may seem like a highly remote possibility; but if the problem continues to grow in acuteness, you may expect to hear it mentioned with increasing frequency, and the lessons learned from these contractual provisions will assume a central importance in the discussion.

IV. EMPLOYMENT PROBLEMS AND PRACTICES

Here we intend to look systematically into the experience of employers in a representative sample of cities and industries. This will give us the facts, which we shall probably publish, on what management really thinks and does about the hiring, retention, and laying off of older workers, and the real reasons for these practices. But, most important of all, we shall be able to compile a casebook of good hiring and utilization practices. Many employers have expended a lot of thought and ingenuity on the older worker question, and have devised a variety of successful answers. If these tried and tested plans can be brought to the attention of employers everywhere, it is quite possible that among the assorted plans there can be found one to match the needs of most of the employers who are still searching for the right solution for their particular combination of facts. We mean to go into hiring practices, training practices, job modification practices, transfer practices, reserved job practices, and so on. The materials will be distributed to employers, unions, trade associations, employment security agencies, and anyone else who can use them either directly or for general employer education.

V. INDIVIDUALIZED PLACEMENT SERVICES FOR OLDER WORKERS

This involves a stepping-up of the pace of an activity already underway.

We learned, in a study of 3,688 job applicants over 45 in New York City, that special placement services could more than double the number of workers placed in jobs. There was a control group who received conventional treatment, and an experimental group who had individual counseling and more intensive job solicitation. We have since been working constantly on improving this kind of tailor-made service, and lately have been analyzing data received from employment service offices on the characteristics of older job applicants and the services provided to them. We also have a particularly detailed pilot study in progress in the Minneapolis-St. Paul area, following the entire hiring problem of older workers in relation to the employment service in all its stages.

For the future, we hope to improve and extend individualized placement services through the facilities of affiliated State employment services. To aid in this process, we would like to work up a job guide for older workers, addressed to older workers themselves, as well as counselors, placement interviewers, and industrial personnel work-

ers. It would point up the occupations, industries, and kinds of work in which opportunities are most promising for older workers. It would go into advantages and disadvantages of the work, the training or retraining possibilities, and the prospects for using skills and abilities acquired in one field of work in other fields.

A much-needed guide, which we hope to provide, is an analysis of which jobs requiring less physical exertion are the most logical successors to earlier skills which were attended by heavy exertion. For example, when a telephone lineman is too old to scamper up and down poles, it would be very handy to have a guide to show the other occupations into which his skills can lead him with perhaps a little retraining, and with a minimum of downgrading.

At the same time, our Occupational Outlook handbook can be revised to give more special attention to guidance information for older people.

VI. MATURE WOMEN: MATCHING SKILLS AND SHORTAGES

To me, one of the most exciting and promising lines of endeavor is the set of projects, now getting underway, to tap the vast resources of mature women to meet some of the most pressing job shortages facing us today.

We have heard for years that there is a grave shortage of nurses in this country, and an equally acute shortage of teachers. Less well known is the fact that severe local shortages of secretarial service are appearing in different parts of the country, including Washington, D. C.

At the same time, I think each one of us could probably find among our immediate relatives and friends at least several women who were trained as professional nurses or teachers or secretaries, who got married, had a family, and lost touch with the labor market, and who now would like nothing more than to get back into the game again. I am not now talking about tearing married women away from their children at a time when they are needed at home. I am think-think of women whose children have grown to the point where the mother's constant presence at home is no longer necessary.

If you know such people—and I am sure you do—I think you will agree that most of them would give a lot to resume the status and prestige and personal satisfaction that go with doing a job well. At the same time, think what a splendid solution this offers for some of our most pressing needs. Far from being at a disadvantage, I should think it obvious that the woman who has raised a family has a great advantage—in knowledge of children, in acquaintanceship with human suffering, in the love for and understanding of fellow beings which a full life brings, and in the wisdom and judgment which come only with maturity.

The matching up of this demand and this supply is so brilliantly obvious that one wonders why it was not done long ago. At any rate, the Department of Labor's Women's Bureau is now vigorously at work in bringing this to reality. With the Office of Education of the Department of Health, Education, and Welfare, a Committee of New Teachers for the Nation's Classrooms has been formed, representing an impressive roster of educational and other associations. The emphasis is on community responsibility. Some communities are already in action. For example, in the Metropolitan Detroit area, Wayne University in consultation with school superintendents and the Michigan State Department of Public Instruction is offering a training course to college women 21 to 50 years of age as part of the regular curriculum. Candidates with a bachelor's degree can obtain the 20 credits, including practice teaching, needed to qualify them for a 5-year certificate to teach in elementary schools. Similar projects are also going in southern California and in Ohio, consisting of a year's supervised teaching, between semesters or summer sessions of professional training.

Even when a woman has had complete professional training, it may be desirable to have a refresher or retraining course after some years of absence from the profession in a world where everything is rapidly changing. For example, New York City offers a refresher course for registered professional nurses. Between June 1952 and September 1953 a total of 202 women participated in the 9 courses that were held. Of these, only 13 were under 35 years of age. Most were in their forties or fifties, with ages ranging up to the seventies. Over two-thirds of the graduates were placed in city hospitals. Most of the rest probably could have been placed, but were unable to return to nursing for personal reasons.

I have mentioned only a few occupations and examples to show what can be done. Within the next few weeks, there will appear a new bulletin of the Department of Labor's Women's Bureau entitled "Training Mature Women for Employment." It is an account of 23 training programs successfully carried on in different cities and in occupations as diverse as commercial sewing, institutional housekeeping, cosmetology, practical nursing, and electronics work. These projects clearly show that this kind of effort can succeed if the community wants to make it succeed and utilizes the facilities and experience that are available through the Women's Bureau and other organizations mentioned in the booklet.

These, then, are the six fronts on which we propose to advance during the coming year.

I have talked mostly about the Department of Labor's plans. But it goes without saying that this is only a fraction of the nationwide effort, public and private, that is being poured into the solution of this challenging difficulty. Other arms of the Federal Government are stepping up their activities. The Department of Health, Education, and Welfare will also receive an augmented appropriation for work in the field of the aging. We have assembled an interdepartmental task force; we are taking systematic inventory of what all the departments and agencies can do; and we are making plans that cut across the various departmental lines. State agencies are also redoubling their efforts. Private employers, unions, trade and professional associations, church groups, colleges and universities, social workers, consultant firms, and dedicated individuals are everywhere addressing themselves with renewed vigor to a problem which grows more disquieting daily.

I have outlined the specific directions which our exertions will take in the immediate future largely because I hope that those represented here before me in this powerful array of expertise will help us in these efforts with their advice, counsel, and encouragement. For our part, on behalf of Secretary of Labor James P. Mitchell and the entire Department of Labor, I pledge to each of you all our support and all our resources in our mutual journey toward that day when our country gives full and free employment opportunity to all on the basis of ability alone, and is rewarded by finding it has tapped its richest vein of talent, skill, experience, and devotion.

Philosophies of Justice Black

EXTENSION OF REMARKS

OF

HON. E. L. FORRESTER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. FORRESTER. Mr. Speaker, an article appearing in the Columbus Enquirer, Columbus, Ga., July 25, 1955, and credited to the Memphis Commercial Appeal, and reading as follows, should challenge the interest of every true American:

BLACK'S AMAZING RECOMMENDATION

Associate Justice Hugo L. Black, of the Supreme Court of the United States, has been widely quoted as having said in a public meeting in New York that "the world could not do better than to follow the political and social ideas" of the late Albert Einstein. In view of those same ideas, it is amazing to find Justice Black recommending them.

No one questions the lofty rank of Professor Einstein as a scientist, but almost invariably the results were unfortunate when he ventured out of his specific field. In a magazine article, for example, he once proposed to analyze "the crisis of our times," and went on to declare: "The economic anarchy of capitalist society as it exists today is, in my opinion, the real source of the evil."

In the same article Professor Einstein scored the principle of production for profit instead of use and what he termed the worker's constant fear of losing his job. He went on: "The profit motive, in conjunction with competition among capitalists, is responsible for an instability in the accumulation and utilization of capital which leads to increasingly severe depressions."

To cure the ills he conceived in effect, he wrote: "I am convinced there is only one way to eliminate these grave ills—namely, through the establishment of a socialist economy, accompanied by an educational system that would be oriented toward socialist goals." On numerous other occasions Professor Einstein revealed his inability to understand the fallacies of socialism as a theory and its perversions by those who profess to operate under it.

There may be some excuses offered for Professor Einstein on the ground that he really dwelt in a world apart and knew too little about politics and the social order to be other than easily deluded by glib and specious partisans of socialism. What palliation can be offered for a man of Justice Black's background, experience, and lofty position when he commends such social and political notions it is impossible to imagine.

It has been an accepted rule that jurists and especially Appellate Court judges should remain aloof from political questions. Inasmuch as so many of our United States Supreme Court Justices are continually thrusting their political opinions upon the public, I am wondering if their lack of judicial experience explains their failure to recognize the ethics, or whether many of them are so imbued with concepts foreign to our Constitution that they cannot remain silent.

According to the above article, Justice Black says that "the world could not do better than to follow the political and social ideas of the late Albert Einstein." Justice Black undoubtedly knows that Mr. Einstein advised persons working in the Government and teachers in our

schools to invoke the fifth amendment, and decline to testify whether they were or were not Communists. Justice Black knows that Mr. Einstein defended the record of J. Robert Oppenheimer, which record was nothing less than amazing regarding his congeniality and friendship to known Communists, extending to even contributing money to most every well-known Communist cause. Justice Black well knows that Mr. Einstein was against "the profit motive" and against private enterprise, and, by the same token, was absolutely against the very foundations of our Government. Mr. Einstein was socialist, at least, and Justice Black evidently thinks that is the supreme way of life for our country.

I am wondering if the philosophies of Justice Black and Justice Douglas, who has demonstrated his devotion to queer ideas to everyone who would listen, do not cause grave concern to every member of the United States Congress and to every true American. No wonder decisions based solely on psychology and sociology are being rendered. No wonder it is practically impossible for the Government to win any case where there is an attempt to restrain or prevent persons under suspicion from working for this Government. No wonder it has become impossible for the Government to deprive anyone of citizenship, and the Government, realizing the situation, is dismissing cases that had been brought for that object. No wonder it has become impossible to deny anyone a visa on account of the theory that every citizen of the United States is entitled to travel anywhere at any time, whether the authorities think it is in the interest of our country, or not. No wonder that our criminal jurisprudence founded on the wisdom of the ages has been virtually destroyed. No wonder that persons who would change our Government have become so bold and so arrogant.

David Crockett (Davy Crockett) Actually Served in House of Representatives During Three Congresses

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. DOYLE. Mr. Speaker, I am sure that you, as well as all other Members of this great legislative body, have recently and frequently been asked about one David Crockett, and whether or not he actually served in the House of Representatives from Tennessee. I, having been asked that question several times by adults as well as youngsters, including my own grandchildren, asked the Library of Congress to give me what the facts were, and I know their reply to me will not only be of interest but will enable every Member of this great legislative body to give the accurate information about David Crockett's service in the 20th, 21st and 22d Congresses:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D. C., July 7, 1955.

Hon. CLYDE DOYLE,
Member of Congress,
Twenty-third District, Calif.

REFERENCE SERVICE REPORT

Inquiry: Information about the service of David Crockett in the House of Representatives as a Representative from Tennessee during the 20th, 21st, and 23d Congresses.

Report: A search in the files of the House of Representatives (Record Group 233) in the National Archives has disclosed the following original documents bearing on the service of Davy Crockett in the House of Representatives during the 20th, 21st, and 23d Congresses. The cost of making negative photostat copies of these documents is indicated.

TWENTIETH CONGRESS

1. Resolution submitted on January 17, 1828, instructing the Committee on Military Affairs "to inquire into the expediency of authorizing the Secretary of War to appoint one or more skillful engineers to examine several points on Big Shoal Creek, and Big Buffalo, in Lawrence County, in Tennessee, and to report upon the fitness of these places, respectively, as a site for a national armory, similar to the Armories of the United States at Springfield and Harper's Ferry." Two pages. Cost of photostatic copy, 80 cents.

2. Resolution submitted on February 19, 1828, instructing the Committee on Military Pensions "to inquire into the expediency of placing Andrew Derryberry, a soldier of the Revolution, on the pension roll." Two pages. Cost of photostatic copy, 80 cents.

3. Resolution submitted on February 19, 1828, instructing the Committee on Military Pensions "to inquire into the expediency of placing William Walker, a soldier of the Revolution, upon the pension roll." Two pages. Cost of photostatic copy, 80 cents.

4. Resolution submitted on April 2, 1828, instructing the Committee on Post Office and Post Roads "to inquire into the expediency of establishing a post route from Jackson to Mount Pierson; thence to Purdy's office, thence to Perryville, Perry County, State of Tennessee." Two pages. Cost of photostatic copy, 80 cents.

5. Resolution submitted on May 10, 1828, instructing the Committee on Public Lands "to inquire into the propriety of making a donation of 160 acres of land to each actual settler on the land of the United States in the State of Tennessee, south and west of the congressional reservation line, to include their improvement." Two pages. Cost of photostatic copy, 80 cents.

6. Resolution submitted on January 20, 1829, instructing the Committee on Roads and Canals "to inquire into the expediency of having reviewed and opened a road from Bolivar, in the State of Tennessee, through the Chickasaw nation of Indians, to the Cotton-gin Port, in the State of Mississippi; and, also, a road leading from Memphis, in the former State, to Jackson, in the latter, passing also through said nation of Indians." Two pages. Cost of photostatic copy, 80 cents.

7. Resolution submitted on January 29, 1829, instructing the Committee on Post Office and Post Roads "to inquire into the expediency of establishing a post route from Memphis, in the Western District of Tennessee, by Loves' Settlement and Tocklish, in the Chickasaw Nation, to Columbus, on the military road in Mississippi, to intersect the great southern mail route at that point." Two pages. Cost of photostatic copy, 80 cents.

8. Certificate of election, signed on September 18, 1827, by William Carroll, Governor of Tennessee, commissioning David Crockett to represent the Ninth Congressional District of Tennessee in the House of Representatives during the 20th Congress. Two pages. Cost of photostatic copy, 80 cents.

TWENTY-FIRST CONGRESS

9. Resolution submitted on December 15, 1829, to appoint a select committee with instructions to inquire "into the most equitable and advantageous mode of disposing of the refuse land lying south and west of the Congressional reservation line in the State of Tennessee." Two pages. Cost of photostat copy, 80 cents.

10. Resolution submitted on January 26, 1830, instructing the Committee on Post Office and Post Roads "to inquire into the expediency of establishing a post route from Dyers Burgh in Tennessee to Rutherfords Mills thence to Baerfields on the west bank of the Mississippi in Arkansas Territory—then to Rutherfords Mill then to Natchez Bluff then to the town of Eaton thence to Trenton Gibson City." Two pages. Cost of photostat copy, 80 cents.

11. Resolution submitted on January 27, 1830, instructing the Committee on Internal Improvements to inquire "into the expediency of having a survey of a rout [sic] for a canal from the head of the Muscle Shoals on the Tennessee River State of Alabama to some proper point on the Big Natches above Bolivar in the State of Tennessee." Two pages. Cost of photostat copy, 80 cents.

12. Resolution submitted on February 1, 1830, instructing the Committee on Military Pensons [sic] to inquire into the expediency of placing George W. Stell of Tennessee a soldier of the last war on the penson [sic] role as an involede [sic] pensioner." Two pages. Cost of photostat copy: 80 cents.

13. Resolution submitted on February 9, 1830, directing the Committee on Military Pensions to inquire "into the expediency of placing Joseph Asbridge of Tennessee a sailor in the Revolutionary War on the list of military pensioners." Two pages. Cost of photostat copy: 80 cents.

14. Resolution submitted on February 25, 1830, that the West Point Academy be abolished, and "the appropriations annually made for its support be discontinued." Two pages. Cost of photostat copy: 80 cents.

15. Resolution submitted on April 6, 1830, instructing the Committee on Post Offices and Post Road to inquire "into the expediency of establishing a post rout [sic] from Duncan's post office in Hardeman county to Mitchell's store in McNairy County thence to Cypress Bridge in said county at James Smith's from that to J. C. Simpson's in Harden county thence to Esq. Lettery's to intersect the Savannah rout [sic] in said county." Two pages. Cost of photostat copy: 80 cents.

16. Resolution submitted on April 20, 1830, instructing the Committee on Military Pensions to inquire "into the expediency of placing the names of James Dougan and George Clarke both of Tennessee on the roll as Military pensioners for services rendered in the Revolutionary War." Two pages. Cost of photostat copy: 80 cents.

17. Resolution submitted on December 16, 1830, requesting the Postmaster General to communicate to the House of Representatives "the amount of money agreed to be paid by him under the late contract for carrying the mail from the City of Washington to the City of Baltimore also the amount of money heretofore paid by his predecessor for the like services." Two pages. Cost of photostat copy: 80 cents.

18. Resolution submitted on January 5, 1831, instructing the Committee on Military Pensions to inquire "into the expediency of placing the names of Andrew Derryberry of Perry County and William Gillispie of Hardeman County, Tennessee, both revolution-

ary soldiers—on the pension list * * *" Two pages. Cost of photostat copy: 80 cents.

19. Resolution submitted on January 20, 1831, instructing the Committee on Pensions to inquire "into the expediency of placing the name of James Crawford of Tipton County Tennessee a soldier of the Revolutionary War on the pension list. * * *" Two pages. Cost of photostat copy: 80 cents.

20. Resolution submitted by Crockett, with the date not indicated, "that 6,000 copies of the report of the Secretary of War communicated to this House on Monday last in relation to the Military Academy at West Point be printed for the information of the people of the United States." Two pages. Cost of photostat copy: 80 cents.

21. Report made by Crockett as a member of the select committee appointed "to enquire into the most equitable manner of disposing of the refuse public lands lying south and west of the Congressional Reservation line in the State of Tennessee." House Report 137, 21st Congress, 1st session (Jan. 29, 1830). Four pages. Cost of photostat copy: $1.60.

22. Bill H. R. 185, 21st Congress, reported by Crockett from the aforesaid select committee (accompanying House Report 137, 21st Congress, 1st session), titled "A bill to amend 'an act authorizing the State of Tennessee to issue grants and perfect titles to certain lands herein described and to settle the claims to the vacant and unappropriated lands within the same.'" Four pages. Cost of photostat copy: $1.60.

23. Certificate of election, signed on October 7, 1829, by William Carroll, Governor of Tennessee, commissioning "David Crockett, a citizen of the Ninth Congressional District of this State * * * to represent the said district, as a Member of the House of Representatives, in the 21st Congress of the United States." Two pages. Cost of photostat copy: 80 cents.

TWENTY-THIRD CONGRESS

24. Resolution submitted on December 17, 1833, to appoint a select committee, "consisting of seven members, whose duty it shall be to inquire into, and report the most equitable and advantageous mode of disposing of that portion of the lands belonging to the United States, situated south and west of the Congressional Reservation line, within the State of Tennessee." Two pages. Cost of photostat copy: 80 cents.

25. Resolution submitted on April 10, 1834, instructing the Committee on Post Office and Post Roads to inquire "into the expediency of establishing a post rout [sic] from Totten's Walls in Obion County by Seth Bedford's to Troy in Tennessee." Two pages. Cost of photostat copy: 80 cents.

26. Resolution submitted on December 11, 1834, instructing the Committee on Roads and Canals "to enquire and report to this House whether the improvemint [sic] of the navigation of Obion Fork, Deer, and Hatchy Rivers would be a national object and if so what would be the probable cost of removing the obstructions to the head of navigation of said rivers." Two pages. Cost of photostat copy, 80 cents.

27. Report made by Davy Crockett as chairman of the select committee "to whom was referred the subject of 'inquiring into and reporting the most equitable and advantageous mode of disposing of that portion of the lands belonging to the United States situated south and west of the Congressional reservation line, within the State of Tennessee.'" House Report 120, 23rd Congress, 2d session (January 2, 1834). Six pages. Cost of photostat copy, $2.40.

28. Bill H. R. 126, 23rd Congress, reported by Representative Crockett from the aforesaid select committee (accompanying House Report 120, 23rd Congress, 2d session), titled A Bill to amend an 'act authorizing the State of Tennessee to issue grants and perfect titles to certain lands therein described, and to settle the claims to the vacant and unappropriated lands within the same.'" Four pages. Cost of photostat copy, $1.60.

In the 22nd Congress, William Fitzgerald won election to the seat in the House of Representatives which David Crockett had occupied in the 20th and 21st Congresses, but Crockett made a contest of the election. Certain depositions taken in the contest are in the files of the House of Representatives at the National Archives, and photostat copies of these depositions, amounting to 17 pages, can be made for $6.50.

GEORGE P. PERROS,
Legislative Section.

(Report prepared by the National Archives and Records Service.)

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D. C.

DAVID CROCKETT

Crockett, David (August 17, 1786–March 6, 1836), frontiersman, was the son of John and Rebecca (Hawkins) Crockett, and was born near the present Rogersville, Hawkins County, Tenn. His father, a Revolutionary soldier who fought at King's Mountain, was born either in Ireland or on the voyage to America, and his mother in northern Maryland. His parents moved (probably from Lincoln County, N. C.) to the Hawkins County location about 3 years before he was born, later settling on the Holston, where the father kept a tavern. Here the boy remained until about his 13th year. To escape an anticipated beating he ran away from home, making his way as far as Baltimore and wandering about for nearly 3 years. On his return he worked for 6 months for a neighbor to pay off a debt of $36 owed by his father, and another 6 months for another neighbor to cancel a similar debt of $40. At 18, to heighten his chances with the girl of his choice, he went to school for nearly 6 months, but left when he learned that he had been jilted. Some months afterward he married Polly Findlay, and on a rented tract, with a horse, his bride's dower of two cows with calves, and $15 capital borrowed from a friend, he set up a home of his own. Though a mighty hunter, he was a poor farmer, indolent and shiftless, and he did not prosper. A couple of years later, with his wife and two babies, he moved to a farm in Lincoln County, near the Alabama line. In the Creek War of 1813–14, under the command of Andrew Jackson, he served with distinction as a scout, but retired before the end of the campaign, hiring a substitute to fill out his term of enlistment.

His wife died about 1815, leaving him with three children. He acquired two more by his marriage, some months later, to the widow of a fellow soldier. He now moved to a settlement 80 miles west, where he was informally chosen a magistrate, and on the incorporation of the district into Giles County was appointed a justice of the peace. In after years he could boast that in reaching his decisions he "relied on natural-born sense instead of law learning" and that none of his judgments was ever reversed. He was elected as a colonel of a militia regiment organized in his district, and in 1821 was elected to the legislature. He was then wholly unacquainted with public affairs and did not even know the meaning of the word "judiciary." He moved again, this time to a point in the extreme western part of the State, near the junction of the Obion with the Mississippi, where his nearest neighbor was 7 miles distant. Here, among other activities, he hunted bears; and unless he woefully miscounted his victims, he succeeded in killing, during a period of 8 or 9 months, 105 of them. His new constituency elected him to the legislature in 1823. In the spring of 1826 he attempted to float a cargo of staves down the Mississippi, losing all his cargo and nearly losing his life. A jocular proposal that he run for Congress decided him to make the race in earnest, and after a campaign enlivened by his humorous stories and the ridicule of his two opponents he was elected. He served in the 20th and 21st Congresses (1827–31), was defeated for the 22d, but was elected to the 23rd (1833–35). In April 1834, he commenced his celebrated "tour of the north," visiting Baltimore, Philadelphia, New York, and Boston, and, after returning to Washington, left for home to prepare for a new campaign. From the time he entered public life he had generally opposed Jackson, having voted in the legislature against him for United States Senator, and later having voted against many of the Jackson measures in Congress. An effective rally of the Jackson sentiment in his district caused his defeat. Disheartened by this reverse, he resolved to leave Tennessee. The movement for Texan independence attracted him, and he started for the war front by way of Little Rock. He arrived at the Alamo in February 1836, took part in its heroic defense, and fell, bullet riddled, in the final assault.

Crockett was a brave soldier, an able scout, and an expert rifleman. He was generous and openhanded, frank and upright, of a sterling independence of spirit and blessed with a bubbling good nature and an exceptional degree of self-confidence. His knowledge of public questions, meager at the start of his career, was probably not greatly enhanced by his service in Washington. He was not a student. He rather prided himself on his lack of education—correct spelling appearing to him in the main as something "contrary to nature" and grammar "nothing at all," despite "the fuss that is made about it." To what degree the autobiographical writings published in his name were his own cannot be said; but it is noteworthy that they bear little resemblance, either in substance or manner, to such of his letters as have come down to us.

Source: Dictionary of American Biography. 1930. Vol. IV. pp. 555–56.

NORMAN D. BURCH,
History and General Research Division.
FEBRUARY 16, 1955.

Should the Natural-Gas Bill Be Considered at This Late Date in the Session?

EXTENSION OF REMARKS
OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 27, 1955

Mr. WOLVERTON. Mr. Speaker, there has been considerable surprise that a bill of the importance of the natural-gas amendments should be brought before the House at this late date in the session.

This bill is important from the standpoint of producers, transmission lines, distributing utilities, and consumers. It vitally affects each of these classes, particularly the 60 million or more consumers. They are fearful if the Federal Power Commission is stripped of all its power to regulate the producers that then unrestrained increases in the price of gas will follow.

Competent authorities have stated that even a slight increase in the cost of gas at the wellhead could mean as much as a $200 million to $800 million annual increase to the consumers of the

Nation. This would be over and above what they are now paying.

It is because of the danger of such a possible result under the terms of the pending bill, as presently written, that has caused a terrific storm of opposition to arise against the bill. The fundamental objection that has been most often expressed relates to the bill being a repeal of the Supreme Court decision and of the Natural Gas Act in its endeavor to provide protection to the public against unwarranted price increases.

Transmission lines, distributing companies, local utilities, National Institute of Municipal Law Officers—consisting of 900 members representing cities, towns, and municipalities—mayors of 258 cities and towns representing a population of 31,600,000, labor organizations, and many others are against the bill.

Furthermore, it is important to realize that the Committee on Interstate and Foreign Commerce, with a membership of 31, after months of hearings and consideration, was unable to come to a satisfactory solution if we are to judge by the fact that the first motion to report the bill was defeated by a vote of 14 to 14, and, finally, upon a reconsideration vote, was able to report it by only a 16-to-15 vote.

Furthermore, the Rules Committee reported a rule to consider the bill by the close vote of 6 to 5, with 1 member not voting. Had he voted against the granting of a rule, the bill would not be before the House at this time.

Under the above circumstances, is it wise or advisable to attempt to consider the bill at this late date in the session? It seems to the undersigned members of the Committee on Interstate and Foreign Commerce that the importance of the matter justifies our voting against its consideration at this time.

To do so would give the committee an opportunity to give the matter further study and investigation of the whole subject during the recess of Congress and come back to the House with recommendations that would express a greater unanimity of thought than now exists.

As part of my remarks, I include a copy of the letter that was addressed today to our colleagues in the House:

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

DEAR COLLEAGUE: On July 2 Congressmen HARRIS and HINSHAW directed to their colleagues in the House a letter urging support of the Harris bill, H. R. 6645, as reported by the Committee on Interstate and Foreign Commerce. This bill would amend the Natural Gas Act so as to exempt producers of natural gas from Federal regulation.

The undersigned are strongly opposed to the enactment of H. R. 6645. We believe it is contrary to the public interest and to the interest of millions of consumers in thousands of cities, towns, and communities throughout the whole United States.

This legislation has been vigorously opposed by the mayors of New York, Philadelphia, Pittsburgh, Baltimore, Nashville, Louisville, Chicago, Denver, Detroit, Cleveland, St. Louis, Buffalo, Newark, and many others representing cities and towns, both large and small. The mayors committee, representing 258 cities with a total population of 31,600,000, is opposed to the bill; also State public utility commissions generally, by gas distributing companies, and by nearly all the pipeline transmission companies.

As an indication of the unsatisfactory solution of this highly complex and controversial problem, it is only necessary to call attention to the fact that the bill was reported to the House by a vote of 16 to 15, after it had previously failed of being reported by a vote of 14 to 14. There are no less than five minority reports.

It would be unwise, in our opinion, to pass or even consider on the floor of the House this legislation (H. R. 6645) in its present form. The matter should have closer and more careful consideration before it is brought before the House for action. To do otherwise would mean that numerous and varied amendments would be offered from the floor. This subject presents problems that require the careful, studious, and deliberate consideration that can be obtained in the first instance only in the committee room.

If there is an doubt as to this being the proper course to follow, it seems to us that the statement made by the author of the bill, Mr. HARRIS, within a few days after the bill had been reported by the committee makes plain the necessity of such. We refer to the fact that Mr. HARRIS introduced a resolution for an investigation of the natural gas transmission lines and the distributors of natural gas with respect to the cost of the commodity to the consumer. In urging the necessity for such in a release issued by him at the time of the introduction of his resolution, Congressman HARRIS said:

"It is quite obvious to me, as illustrated by the closeness of the vote by which the bill was reported, that before this situation is cleared up in the interest of the industry as well as the consumer, other factors are going to have to be considered."

We agree with this statement of Mr. Harris. However, we do feel that any such investigation should include all elements that enter into the cost to the consumer, namely, production, transportation, and distribution and not merely the last two elements mentioned. To accomplish this complete purpose we favor such an investigation either under the general jurisdiction of the Committee on Interstate and Foreign Commerce or by a special investigation committee. And, accordingly, we suggest it would be wise to withhold action on H. R. 6645 until the completion of such an investigation.

Furthermore, to have such further study or investigation would prove highly beneficial in supplying information that the committee hearings did not divulge and which, in our opinion, the House should have. For instance, notwithstanding the fact that the committee conducted long and extensive hearings, at no time did any independent producer appear and testify in person, although an attorney appeared and represented himself as speaking for them. And, at no time was any testimony given as to the cost of production of natural gas. The proper course would be to investigate the facts and then develop recommendations for any needed remedial legislation after all of the facts are in.

In conclusion, there are many technical questions, legal and otherwise, involved in the Harris bill that need clarification and careful consideration before adoption. We have not entered into a discussion of such in this letter because the minority reports cover all such in detail. We recommend that you read the minority reports. They are a full, complete, and satisfactory answer to every argument that was made by Messrs. HARRIS and HINSHAW in their letter to the Members of the House urging support of the Harris bill (H. R. 6645).

We, the undersigned members of the Committee on Interstate and Foreign Commerce, are convinced there should be further study and investigation before the House is called upon to act on H. R. 6645. We submit our views for your consideration.

Sincerely,

ISIDORE DOLLINGER, JOHN J. FLYNT, Jr., SAMUEL N. FRIEDEL, WILLIAM T. GRANAHAN, DON HAYWORTH, JOHN W. HESELTON, ARTHUR G. KLEIN, TORBERT MACDONALD, PETER F. MACK, Jr., KENNETH A. ROBERTS, PAUL F. SCHENCK, HARLEY O. STAGGERS, CHARLES A. WOLVERTON.

Low Income Families

EXTENSION OF REMARKS

OF

HON. AUGUSTINE B. KELLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. KELLEY of Pennsylvania. Mr. Speaker, the way some people figure it, there is never a "good" time or an auspicious time for improving standards for the lower income groups in our country. The time is never considered just quite ripe, it seems.

The feeling among such people appears to be that if business is on the upswing, as right now, why just let it alone and do not rock the boat and do not upset the applecart and do not meddle in and do not do anything, and things will get better and better and all problems will automatically disappear.

On the other hand, if business is on the downswing, as was happening this time a year ago, the same people were saying just let it alone and do not rock the boat and do not upset the applecart and do not meddle in and do not do anything about anything and things will automatically correct themselves and then get better and better.

As a result of that feeling holding the upper hand last year, we have gone through a whole year in which the Pittsburgh labor-market area consisting of Allegheny, Beaver, Washington and Westmoreland Counties—one of the great industrial centers of the world—has been a "distress" area of from 6 to 9 percent unemployment. Yet during much of this time, steel's operating rate has been skyrocketing and coal production has been improving. So, obviously, employment opportunities were not nearly in balance with production advances, as output per worker steadily improved.

It is my hope that the employment sampling now in process, and the evaluation studies yet to be made, will show that in July the Pittsburgh labor-market area had finally gotten off the "distress" list. But we will not know that one way or another for some weeks yet.

But this idea of not rocking the boat either when business is good or when it is bad—an attitude which often leads to the ignoring of important economic problems—still had a lot of support in the House of Representatives last week when we finally pushed through my bill to raise the minimum wage from 75 cents and hour to $1 an hour. My original bill on this, introduced last January, was for $1.25, but like all important leg-

islation, compromise had to be practiced in order to get anything through. The $1 figure represented, then, less than many of us wanted, but more than the 90 cents, or $36 a week, which President Eisenhower said he thought was enough for our lowest income workers.

MORE PURCHASING POWER NECESSARY

Throughout the debate on the House floor, I was assailed by the arguments of opposition Members that a figure of $1 an hour in interstate commerce would put lots of businesses out of business. These people were trying to tell us that in what is now supposed to be the most prosperous era in our history, with a gross national product at a rate of $383 billion a year at the latest count, and with corporate profits and business proprietors' incomes also at record heights, that a minimum wage of $40 a week for work in interstate commerce would ruin business.

Actually, a better foundation for our lower income groups in terms of fair minimum wages does more to help business than anything else, for it puts more real purchasing power in consumers' hands. The reports I receive as a member of the Joint Congressional Economic Committee, composed of 7 Senators and 7 Congressmen, is that so much more purchasing is now being done on installment credit, while other types of credit have remained pretty stationary, that many economists are beginning to worry over the $24 billion of installment credit outstanding. Less than half of this is on automobile purchases, incidentally, and more than a fifth of it—more than $5 billion—represents personal loans, which indicates a lot of families may be in serious trouble in meeting monthly bills.

The economists point also to the continued decline in farm income as showing a need for more purchasing power in consumer hands with which to buy nourishing food. A higher minimum wage, providing wage raises for several million workers, will thus help the entire economy, and I am proud to have had a part in this as sponsor of the House bill.

Ike's School-Aid Program Is More Like an Obstacle Course

EXTENSION OF REMARKS

OF

HON. LEE METCALF

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 27, 1955

Mr. METCALF. Mr. Speaker, I take this means of calling your attention to the sorry record of this administration at a time of crisis in our schools.

During the 1952 campaign General Eisenhower spoke sympathetically of the classroom shortage, and I was among those who hoped that he meant to do something about it. We were disappointed when his school program in the 83d Congress consisted of more studies of the problem.

Only a year ago, the administration, speaking through Education Commissioner Brownell, said there would be no Federal aid to school construction, regardless of the need, until after another round of conferences next winter.

It was surprising then that President Eisenhower took note of the crisis in our schools early this year. In a special message to Congress, Mr. Eisenhower said the "best possible education for all our young people is a fixed objective of the American Nation."

He called attention to an emergency situation, the deficit of more than 300,000 classrooms, and said that "unless the Federal Government steps forward, to join with the States and communities, this emergency situation will continue."

Now the school-construction program put forward in that special message is completely inadequate to meet the tremendous and growing need.

How inadequate is pointed out in the following interview with the senior Senator from Alabama, Senator LISTER HILL, chairman of the Labor and Public Welfare Committee, in the May issue of the Democratic Digest:

IKE'S SCHOOL-AID PROGRAM IS MORE LIKE AN OBSTACLE COURSE

(An interview with Senator LISTER HILL)

Question. Senator, we hear a great deal about the "crisis" in our schools. I wonder if you could explain just what this crisis is and what brought it about.

Answer. To put it very simply, the number of new babies has grown much faster than the number of new schools. During World War II, for instance, we had to virtually stop building schools, but children kept on being born. And since the war we have continued to break records as to the number of children born. In fact, for 9 straight years we have broken the record of the year before. We haven't been able to build enough schools to keep even, let alone catch up.

Question. How far behind are we at this point?

Answer. The best estimate is that we are currently short some 370,000 classrooms. At current costs, it would take about $12 billion to build that many schools. Of course, there's a shortage of teachers, too, and most teachers are badly underpaid. But that's a separate question.

Question. Well, if the shortage is as severe as you say, why aren't more schools being built?

Answer. As a matter of fact, the States and localities are doing quite a job. Schools are being built at the record rate of about $2 billion worth a year. But that won't make up for the backlog of school needs. And the States and local school districts are about at the end of their rope. Many districts have reached their legal ceiling for selling school bonds, and most of them have raised the school taxes as much as the local or State law permits.

Question. Now, as I understand it, there are two major plans for Federal help to the States and cities now pending before the Congress—the Eisenhower administration plan and your own plan, which you've sponsored, along with 29 other Senators. Would you tell us about these plans?

Answer. Well, first I might tell you what happened in the last Congress. You may remember that General Eisenhower spoke very sympathetically about the school shortage during the 1952 campaign, and many of us hoped he would really try to do something about it when he got into office. I was frankly surprised and disappointed when the administration's entire school program in the last Congress consisted of two or three studies of the school situation that were supposed to be followed up by a national White House conference next November to decide what to do.

Now, for one thing, there are already plenty of facts and figures about the school shortage, although I doubt most parents need statistics to persuade them there is a crisis. For another thing, studies won't build schools, and we need more schools right away—today—not next year. As someone put it, this is a time for fact-facing, not fact-finding.

Question. What about this year?

Answer. Last November, after it became clear that the Democrats had won control of the Senate and that I would be the Chairman of the Senate Labor and Public Welfare Committee, which handles school bills, I made a pledge to do my best to get action on a bill to provide $1 billion in direct aid to help the States and localities to build schools. I and 29 of my Senate colleagues introduced such a bill on the first day of Congress.

Question. What did the administration plan consist of when it reached Congress?

Answer. Well, rather than describing it to you in my own words—because you might think I was only grinding an axe for my own bill—let me tell you what Dr. Edgar Fuller, representing the chief State school officers—the State Superintendents or Commissioners of Education—told our committee. He said that the administration bill is "39 pages of intricate, complex procedures, with more Federal controls than have been seen in any seriously considered bill in recent years, with a pittance of Federal funds and with provisions which forecast long delays."

Question. How does the administration's plan work?

Answer. It is in 3 parts, so perhaps I'd better take them up 1 by 1.

The first part is for school districts that are still legally allowed to sell school bonds to finance new schools, but which are so poor that they can't sell them except at abnormally high interest rates.

Under the administration plan, the Federal Government will buy up to 80 percent—or 60 percent on the average—of the bonds these districts can't sell.

Question. Where is the district supposed to get the other 40 percent of the money it needs?

Answer. That's a good question—and frankly, I haven't been able to get the answer to it from any administration official. This is apparently what they consider a local responsibility.

But there's another, more serious weakness in this part of the administration program—and that is the question of interest rates. You see, before a district can ask the Federal Government to buy bonds, it's got to offer them on the market at rates considerably higher than the going rates on most school bonds. Many experts believe that this will probably result in artificially jacking up the borrowing costs of these local school districts. Now this is very helpful to the banks, insurance companies and other investors who buy up these bonds, but it just means that the school districts have to take money that would otherwise go to build schools or pay teachers' salaries, and put it into these higher borrowing costs.

Question. Can any local school agency sell to the Federal Government the 60 percent share of their bonds which you mentioned?

Answer. No. Before the United States Commissioner of Education can purchase bonds under this part of the program he must be satisfied that the local agency will be able to meet its obligations as they become due. Of course this qualification means that the most desperately poor districts, those which have the greatest need

for help, will not be able to get even this small amount of Federal aid.

Question. What happens to school districts which have already reached their legal bond-issuing ceilings? They can't sell their bonds to the Government, can they?

Answer. No, they have to apply for help under another and far more complicated part of the administration school program. And believe me, by the time most school districts can work themselves through that obstacle course, most of the kids who are of high-school age today may be too old for college.

Question. Can you tell us how this part of the program works?

Answer. To put it as simply as I can, the States will have to set up a special new agency that can float bonds, build schools, and then rent them to the local school districts. The Government proposes to lend the States a small amount of money to start these school-building agencies. This is not a grant, of course. The State will have to repay it.

Question. Why is all that so time-consuming?

Answer. To begin with, practically every State in the Union would have to pass a special law authorizing these school-building agencies to be set up. Most of the State legislatures—35 of them, I think—won't meet again until 1957 after they adjourn this year, unless they are called into special session. So there is a probable 2-year delay right there. Besides, in a great many States, the constitutionality of these school-building agencies is in serious doubt. In such States a further delay is inevitable while this question is settled by a legal action. If it develops that the agency is unconstitutional further delay will result while the necessary constitutional amendment is adopted. You know, for an administration that preaches about not forcing things on the States from Washington, this is a mighty funny proposal—attempting to force the States to do something that seems to run counter to a lot of State constitutions.

Question. Are there any other objections to this part of the administration program—aside from the delay involved?

Answer. Yes, I'd say there are two main objections. One is the red tape and controls from Washington that are involved. I believe I mentioned earlier that one witness before our committee said there were more Federal controls in the administration bill than in any other school-aid bill he's seen in recent years. The other objection is that the local school districts will have to rent the new schools from the State and pay a lot of service charges, besides. Now here, too, the teachers are likely to bear the main burden, since the money to pay the rent has to come out of the same fund that's used to pay teachers' salaries. I must say, I am at a loss to understand why President Eisenhower went to such lengths to explain in his message to Congress, how important—and how underpaid—our teachers are when the administration is proposing a program that's so tough on the teachers.

Question. I'm told that many districts are too poor either to pay rent to the States, or to repay the bonds that the Government might be willing to buy. What do they do?

Answer. Now you've come to what seems to me the most impractical part of the administration bill—because instead of these neediest districts getting help the quickest, they get helped last.

Question. How do you mean?

Answer. Well, these neediest districts can get some direct-grant money from the Government—although very little. But before they can even apply for that money, they must have applied for the other kinds of Federal help I've spoken of, and prove they're too poor to repay bonds or rent schools. Then they have to go through a lot more red tape before they actually get the money.

Question. But after that they can use it to build schools right away, can't they?

Answer. No, they can't even do that. All the money is meant to do is to bring these neediest districts up to a par with the other school districts, so they can apply again for the other kinds of Federal aid. In other words, after these neediest districts have run completely through the Eisenhower obstacle course, their reward is that they get to go back to the starting line and begin all over again. And besides that, there are only small amounts of direct-grant money provided for in the Eisenhower program—only about $66 million a year to cover the whole country.

Question. Wasn't this supposed to be a $7 billion program?

Answer. That's what the administration wanted people to believe. But almost all of that $7 billion will have to be put up by the States and local school districts. The total outlay by the Federal Government amounts to $200 million in direct grants, spread over a 3-year period. This is less than 3 percent of the $7 billion figure which administration spokesmen have been talking about.

Question. But how can the States be expected to put up all of the money? I thought you said the problem was that they had largely exhausted their resources.

Answer. Exactly. And that's why I and 29 of my colleagues in the Senate—as well as a good many Congressmen in the House, are so anxious to get action on our own bill—which provides for a billion dollars in direct grants—$500 million a year for 2 years. We believe that the energy and talent that lies in our young people is a great national resource. And when that resource is wasted, it is a national tragedy. We believe that the Federal Government has a responsibility to help the States meet this crisis—not to foot the whole bill, mind you, but to lend a helping hand.

Question. What do you mean when you say the Federal Government won't foot the whole bill?

Answer. Under the bill which I and 29 of my colleagues are sponsoring—just as under a great many other Federal-aid plans already in existence—the States have to match the dollars given them by the Federal Government with a cetrtain amount of money of their own.

Question. How soon can your program get underway?

Answer. That depends on when it passes the Congress. But I want to emphasize this: My bill calls for no new agencies to be set up by the States. All the machinery is already set up. Most State educational authorities already have authority to accept Federal grants for school construction. All they have to do is match the Federal money with either State or local money and they are ready to build school houses.

Question. What have the education experts around the country had to say about the administration school program?

Answer. Well, I must say I have never seen such unanimous opposition to a program since I've been in the Senate. The chief school officers in 40 States sent letters or wires to our committee opposing one part or another of the administration program. Many of them said flatly that their States wouldn't get any help whatever from the administration program.

Question. Well, weren't the education experts consulted while this program was being developed?

Answer. No; they weren't. In fact, they weren't even told about it until just before it was announced. The main people the administration consulted in making up this program were bond experts from the New York bond houses.

Question. Is that why some people have called this a banker's bill?

Answer. I don't know if that's the reason or not. But I think it's a fact that the administration is more interested in protecting the investment bankers who may be involved in financing this program than they are in building schoolrooms. I have nothing whatever against the banks and insurance companies. But I would rather see money go to pay higher teachers' salaries than to pay higher interest rates on bonds.

Question. What is the outlook for the passage of your bill, S. 5, Senator?

Answer. I remind you of the fact that the Senate has on two previous occasions by overwhelming votes passed Federal-aid bills embodying the principles of S. 5. Since that time the school crisis has grown very much worse. I believe that the prospects are very favorable for the Congress to enact legislation of the character of S. 5.

The Georgetown University Forum

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. FEIGHAN. Mr. Speaker, it was my pleasure to participate in a panel discussion over the Georgetown University Forum which on Sunday, July 24, was devoted to the topic Need for Congressional Watchdog Over United States Information Abroad. As many Members know, this forum, conducted under the able direction of Rev. Francis J. Heyden, S. J., and Rev. Daniel E. Power, S. J., is one of the most outstanding radio and TV forums in this country and is consistently an award-winning one for its informative and analytical discussions on major issues of public interest and action.

The pointed answer to the question raised in the topic for discussion is, of course, no. All three of the panel discussants, including, in addition to myself, the Honorable Abbott Washburn, Deputy Director of the United States Information Agency, and Dr. Lev E. Dobriansky, professor of economics at Georgetown University, strongly agreed that the need is not for a congressional watchdog over our overseas information services and all that this misleading term implies. Instead, the pressing need is for the establishment of a Joint Congressional Committee on Overseas Information which positively and understandingly would work closely with the United States Information Agency in meeting the grave challenge that Russian Communist propaganda poses in the present contest to win the minds of people everywhere.

In a real, practical sense the need for this joint committee is more essential than that which existed prior to the formation of the Joint Congressional Committee on Atomic Energy. If in the basic realm of human ideas, attitudes and sentiments we should lose this fundamental struggle for the minds and hearts of men, then even our atomic capacity would prove inadequate to withstand the direct or indirect aggressions of the Russian Communist conspiracy

against the free world. Moscow understands this truth of first things first, and consequently pours heavy resources and subsidy funds into its worldwide propaganda organization and activity. Sadly enough, our efforts are pitifully meager by comparison. To rectify this dangerous discrepancy and to insure the success of our information efforts in the war of ideas, in order that the unsuspecting might not fall victim to Russian Communist adventures, to prevent an armed global conflict, the formation of a Joint Congressional Committee on Overseas Information is a prime necessity that requires speedy legislative attention.

Mr. Speaker, due to the timely importance of this subject, I include the entire transcript of the radio portion of the Georgetown University Forum in the RECORD, as follows:

Mr. WARREN. "Need for Congressional 'Watchdog' Over United States Information Abroad?" is the topic for the 453d consecutive broadcast of the Georgetown University Radio Forum, another in a series of educational and informative programs from Washington. The Georgetown University Forum was founded in 1946.

This is Matthew Warren speaking by transcription from the Raymond Reiss studio, on the campus of Georgetown University, historic Jesuit seat of learning in the Nation's Capital.

The participants in today's discussion are the Honorable Abbott Washburn, Deputy Director, United States Information Agency; the Honorable Michael A. Feighan, Democrat, Member of Congress from Ohio; Dr. Lev. E. Dobriansky, professor of economics, Georgetown University.

Transcripts of today's broadcast are available. Send 10 cents to cover the cost of printing and mailing, with your name and address to Georgetown University Forum, Washington 7, D. C. Please mention also the subject matter of the transcript desired.

The end of this week will mark the second birthday of the United States Information Agency. On August 1, 1953, President Eisenhower set up a separate agency to handle the task of reaching people all over the world with the truth about the United States and what we stand for as a nation. This week marks the end of the second year of operation, and provides an opportunity to examine the progress of this Agency whose mission is so vital to each and every American, and to consider the role Congress plays in these overseas information activities.

To begin our discussion, Mr. Washburn, I would like to ask you to tell us just how the United States Information Agency has gone about this assignment by the President.

Mr. WASHBURN. Fortunately, we have been given a very clear-cut directive from the President and the National Security Council. To carry out this directive, we use just about every means of communication, press, radio, TV, motion pictures, personal contact, overseas libraries. The job, roughly, breaks down into four main tasks. The first is to explain our United States foreign policies and objectives to people overseas; to counter Communist propaganda, nail down the lies they circulate about us; to show that our policies are in line with the aspirations of other peoples, that, so to speak, our goals are their goals; and to project abroad those aspects of American life and culture that will help foreigners understand us better.

We obviously can't project abroad a total picture of America; the country is simply too big and too varied to do that. What we have to do is select certain aspects of American life that will help people overseas know us and what we stand for, and give them an idea of what they can expect from us. For instance, the desegregation that is taking place in our public schools all over America today is such an example, because it shows what a deep belief we have in the fundamental equality of human beings everywhere, not just here in America.

About three-quarters of our personnel in the Information Service are stationed overseas. They man the United States Information Agency centers abroad, and the posts over there throughout the free world. We have over 200 of these information posts in 79 countries. We used to have some behind the Iron Curtain, but quite some time ago the Communists closed them up.

A good many of these posts have United States libraries attached to them. These are very popular places. For instance, our library out at Rangoon, Burma, is crowded all the time. I recall a piece in the New York Times recently to the effect that this library has made thousands of friends for the United States in a part of the world that is normally so suspicious and distrustful of our motives.

In connection with the libraries, we also have an extensive book translation program. So far, we have translated and distributed abroad, more than 18 million books by American authors. Then, there are the traveling exhibits that go out from the information posts into the rural areas and reach millions of people that way. Right now in Pakistan and in India, and also in many other countries, people are crowding in to see the United States Atoms for Peace exhibits that are traveling from town to town and from village to village.

Also, in the posts abroad, we have experienced press and publications people who see to it that the facts about the United States and our position on major issues in the world today, such as disarmament, to see that these facts are put into the hands of editors of newspapers and publishers of magazines, radio and TV, commentators. In that way, over a billion people regularly receive the truth about the United States.

Also, the agency puts out an enormous number of pamphlets and posters and booklets, as many as 150 million a year.

Then, there is a film program. Films are very important in getting the United States story overseas. In some areas, films are about the only way you can reach people. We have special trucks equipped to generate their own electricity in order to show pictures in these areas.

Finally, and perhaps the most glamorous and best known of all these activities is the Voice of America, the radio arm of the Agency. The Voice broadcasts every day in 38 languages, and reaches into 93 countries every day. One thing that is not so well understood is that three-quarters of these broadcasts go behinfd the Iron and Bamboo Curtains to the people of the Soviet Union and the satellite states of Eastern Europe and Red China.

Mr. WARREN. I presume the United States Information Agency covered the Conference at the summit at Geneva?

Mr. WASHBURN. Yes, we did. We had a team of people there covering all aspects of the United States participation. They got the material back to us very quickly so that it could be translated and sent out over the Voice.

Mr. WARREN. What consequence do you think Geneva will have for the Information program?

Mr. WASHBURN. We are hopeful as a result of Geneva some of the artificial barriers will be gradually lowered by the Soviet Government so that we will be able to get the truth through to many more of the Russian people.

Mr. WARREN. You have given us a good picture of the scope of the United States Information Agency, Mr. Washburn. I would like to ask Congressman FEIGHAN to give us the other side of the picture in this war of ideas. Congressman, I know you served on the Select Committee To Investigate Communist Aggression in the 83d Congress. Will you tell us what you think we as a Nation are up against on this subject of Communist propaganda?

Mr. FEIGHAN. From my study of the world Communist conspiracy, I would like to make it clear at the outset that in my opinion it is a tremendous undertaking to expose and counteract Communist propaganda.

I say this because they have been at this since they got into power in Moscow in 1917. They devote a substantial part of their resources to propaganda. We know from our own sad experiences that their false propaganda has deluded many people and caused great damage throughout the world. I have seen estimates as to the expenditures annually of the Russians on propaganda. It is estimated between $1 billion and $1.5 billion. From my own observations, I am certain it is in excess of $1 billion.

The Russians do a lot of things that we are just beginning to think about. For example, they maintain a number of scientific research institutes on the use of information media. They are constantly testing the orthodox media for transmitting information, as well as developing new and unique devices for the transmission of information. In these institutes they evaluate the effectiveness of their propaganda programs.

Another thing they do, which is abhorrent to us, is that they have established ideological centers for the training of professional propagandists. Some of the products of those training schools are called "agitprops." It is obvious their duty is to agitate with Communist propaganda. Candidates for these schools are selected from every country in the world. After they get their specialized training, they go back to their native land to carry on this massive Russian propaganda for the Communists.

As an example, everyone has heard about the Marx-Engles-Lenin Institute in Moscow. That is one place where these men and women are trained for their future tasks in the Communist conspiracy. There they learn the technique of sabotage, espionage, guerrilla warfare, how to incite a riot, germ warfare, and all other conspiratorial techniques. But with all the training given the candidates, the greatest emphasis is put on propaganda. They realize that it is important for them to flood the free world with this propaganda by very subtly slipping it into the information media of the world, such as radio, television, magazines, books and newspapers.

So, to sum up the world-wide Communist propaganda effort, I would say the Russians consider propaganda to be as important as the H or A bombs, tanks and germ warfare.

As an example of my point of view on what the Russians spend for propaganda, I have some books from my own collection here. These are entitled, "Joseph Stalin." They have to do with some theoretical work of Stalin. They are all intended to advance the Communist conspiracy. One of them here is printed in Spanish. It was printed in Moscow. It was distributed in vast numbers throughout all of Latin America; inexpensive, selling for under 10 cents. Another, with the same title, is in English, printed in Moscow, by the Foreign Languages Publishing House. That is sold in the United States for 13 cents. The third volume is a deluxe issue. That is printed in the German language, published in East Berlin, at a cost of under 25 cents. Here is another one, printed in Moscow. It is a paperbacked edition, costing 10 cents. It is obvious these deluxe editions are very heavily subscribed. I suppose the paperbacked editions are sold at cost.

An estimate was made for me as to the cost of publishing the deluxe edition in the United States, and I am told it cost $1.50. Another example is this book, "Lenin," printed in Moscow. It is sold in the United States for 79 cents. It has 774 pages. It is a very high-quality work. The lowest estimate that I have as to its publication in the United States is $1.50.

One that intrigued me was this very super deluxe propaganda piece in color, called Union Sovietica. It was printed in Moscow, in the Spanish language, for distribution to the Spanish-speaking world. I picked it up in Guatemala. It is an expensive piece. It is a straight propaganda piece to show that life under communism is a workers' paradise. I would call it, in descriptive words, Hollywood extravaganza, because it bears no reality to the facts of life under communism.

These propaganda pieces are very much like this, and are put out in major languages throughout the whole world and given wide distribution.

Another book, entitled "The Lenin-Stalin Solution to the National Question," was printed in over 40 different languages, over 80 million copies distributed in practically every country in the world.

Mr. WARREN. Congressman, from what you tell us, the Communists are spending a great deal of money in expounding their theories and ideas. What about our own budget to combat that?

Mr. FEIGHAN. I think it is very woefully weak. I think that we must increase our expenditures, because we are very, very far behind in what I consider is one of the biggest fights to preserve our freedom and the free way of life throughout the world.

Mr. WARREN. Dr. Dobriansky, you have been listening to both of these gentlemen. How effective do you think our program is?

Dr. DOBRIANSKY. I didn't wish to evaluate the effectiveness of the program until I had certain questions answered for me by both Mr. Washburn and Congressman FEIGHAN. The excellent portrayals of American informational activity and Russian Communist propaganda activity by Mr. Washburn and Congressman FEIGHAN, respectively, bring a number of questions to mind.

The first that I would like to direct to Mr. Washburn is this: To what extent do we have participation on the part of individuals, unofficial groups, organizations in our informational activity? I raise this question, Mr. Washburn, for a number of reasons. One, not so long ago, General Sarnoff submitted a memorandum, as you know, to President Eisenhower in which he stressed this very thing, the need for more active participation on the part of the individuals and on the part of numerous American groups. Then, secondly, after having read carefully the recommendations of the former Hickenlooper subcommittee, which, as you know, made a very extensive survey on the activities of the Voice of America, one of the recommendations of that subcommittee was the need for more extensive participation on the part of these groups.

To what extent do we have this participation today?

Mr. WASHBURN. The Hickenlooper committee report was extremely valuable. Actually, it was one of the main guide lines we used in setting up the new agency 2 years ago. I think if you go down the list of its recommendations you will see that just about every one of them have been acted upon.

In this matter of private groups and organizations helping with the job, we certainly couldn't agree more. It is an enormous task. Government can't possibly do it alone. Quite a bit of progress has been made. Hundreds of projects have been developed and are under way. One, as an example, is the American Bookshelf, which is a portable library of 99 paper-backed books which have been gotten together through the cooperation of several publishers, and with the help of the CARE organization, can be sent overseas to hospitals and schools and universities at $30 a set. We find that the VFW and Rotary and the General Federation of Women's Clubs, and a number of other groups, are running campaigns to buy these books and get them sent overseas in quantity. This is a wonderful thing, and is particularly helpful in combating this cheap book campaign that Congressman FEIGHAN was talking about.

Mr. WARREN. Doctor, you had a question for the Congressman.

Dr. DOBRIANSKY. We have noticed in the past few months during this peace offensive on the part of Moscow quite a step-up in the cultural offensive, as they call it, of Moscow and the Communists. You have ballets that are being staged in various capitals of Western Europe, and, of course, sports activities. In other words, there is a much greater participation on the part of the citizens of the Soviet Union in the free world and in the activities of the free world. I just wondered if Congressman FEIGHAN has any view on that particular thing in terms of our combating this cultural offensive on the part of Moscow; whether he feels that anything we are doing in that respect actually is effective in combating this cultural offensive on the part of Moscow.

Mr. FEIGHAN. I might say since a couple of years ago we have participated in these trade fairs. Previously, the Communists have had a propaganda springboard, creating the false impression there was a life of plenty behind the Iron Curtain. But now that the Americans have competed, the Russians have withdrawn at Bangkok, Paris, Liege, France, Salonika, Greece, and other places. I think it is extremely important that the United States Department of Commerce, with our American manufacturers, participate in all these fairs.

I urged the President to take the initiative in forming a free world trade block in order to protect free labor and free enterprise in the United States. We should never permit our fruits of free labor to compete with slave labor. If we do, it will only lower our standard of living to the common poverty that is in existence behind the Iron Curtain.

I am certain that is one good thing that we have entered into. Another thing that is very disturbing to me is the fact that in the coming Olympics in Melbourne next year, our amateur athletes will have to compete with those professional Russians. It is my hope that the people in the United States will make every effort, along with organizations, to help to send athletes who will be able to compete with these Russian professionals.

Dr. DOBRIANSKY. Congressman, may I interrupt there? I understand you to say, "Russian professionals." My reading of many of the newspapers that come from Moscow, and also pamphlets, shows that they certainly don't represent themselves in that fashion. You have individuals that may be, let us say, employed at one of the installations in Baku, an oil company, and they are on the payroll there. They are certainly amateurs in the same way, I imagine, as we have our basketball team with the Phillips Oilers, who are actually employed in the concern, and yet in their free time play basketball or engage in swimming, or anything else. In other words, I can't understand you saying "professionals."

Mr. FEIGHAN. They are professionals because they are specially trained, and those to whom you refer working in various oilfields, or wherever it may be, I doubt if they are working. They are really just training. Of course, the reason for the Russians trying to win the Olympics is to try to show that life behind the Iron Curtain is a very pleasant life and the people there will become the superior people. We have to try to put up in the field individuals and teams that will compete with them. I think they really are professionals. They are not the amateurs like ours, that are usually in high school or college.

Dr. DOBRIANSKY. You are definitely correct in that respect. It is a definite subterfuge. But, nevertheless, Moscow propaganda has them as amateurs.

Mr. Washburn, in connection with the USIA, are there specific projects under way now to meet this tremendous cultural offensive on the part of Moscow, and also in preparation for the Olympics next year?

Mr. WASHBURN. There has been in the past 10 months quite an effort made in this direction, Dr. Dobriansky. Under the President's fund, $5 million was appropriated by Congress, and we are getting into the trade fairs. There is no question but what the Communists have the jump on us in that. They are in 65 fairs this year, and we will be in a total of about 21. But we have been very successful in those we have been in. As Congressman FEIGHAN said, Cinerama scared them out at Bangkok. When they found out they were going to have to compete against is in Djakarta this fall they pulled out of that fair, too. It is interesting that at Djakarta, and also at New Delhi, the United States exhibit there will present television to Indonesia and India for the first time. That should be a rather interesting exhibit for the United States to have over there.

Dr. DOBRIANSKY. Mr. Warren, if I may also interject here another question that has certainly been burning in my mind, and at the same time I think quite disturbing is this: Reading the newspaper accounts or the articles of various commentators, there has been a crying need in the eyes of some people for a joint congressional committee on the overseas information program. I know that the Select House Committee to Investigate Communist Aggression, otherwise called the Kersten committee, made that recommendation and, of course, numerous others have.

I just wonder here how Congressman FEIGHAN feels about the formation of such a committee.

Mr. FEIGHAN. I think it is most necessary, if we are going to carry out our objectives of acquainting the people with what we stand for and exposing and counteracting the evils of Communist propaganda. We must prepare for a full-scale undertaking. I call it a political offensive, and a substantial part of that offensive must be assumed by the USIA. Our Kersten committee report recommended that Congress establish such a joint committee. I think that our information programs have a major bearing on the question of peace or war. I believe that it is entirely within our capabilities to prevent world war III, and at the same time to bring to the world an era of peace and freedom. But we must measure up to our full capabilities——

Dr. DOBRIANSKY. Congressman, are you suggesting that this joint committee serve somewhat as a "watchdog"—which I think is an unfortunate term that many people employ, but nevertheless, you do have that term used in articles and editorials and the like?

Mr. FEIGHAN. The term "watchdog," to me connotes more or less of an overseer of expenditures. This joint committee, in my opinion, should be something entirely bigger and more effective than that. This should be a committee that will get the best brains of the entire country, to put them together in order to disseminate truth. We have to realize that the Information Agency has to do certain things that are novel. They have to go into unchartered waters. You can't always have them be 100 percent correct. With the joint committee, we would have a joint initiative on the problems that face us in our propaganda efforts.

Dr. DOBRIANSKY. As you envision it, the members of this joint committee would be concerned also with the content of information?

Mr. FEIGHAN. Absolutely.

Dr. DOBRIANSKY. For example, a few days ago, George Sokolsky wrote an excellent article on nationalism. He claims that we have hardly used this weapon of nationalism, especially directed against the many non-Russian nations in the Soviet Union, Ukraine, Georgia, Armenia, and the like. It is my information that the term, "independence," can't even be used on the Voice of America in connection with these non-Russian nations. Would the Congressmen be concerned about that and urge something of that sort?

Mr. FEIGHAN. I certainly would. I think that the question of the independence of these nations that are enslaved by communism is the key to peace and freedom. I think that is the only way we are going to break up the Communist conspiracy which has the chains of slavery throughout the entire world behind the Iron Curtain.

Mr. WARREN. Thank you, gentlemen. I am sorry that our time is up for further discussion of our topic today, "Need for Congressional 'Watchdog' Over United States Information Abroad.

The National School Crisis

EXTENSION OF REMARKS

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. DONOHUE. Mr. Speaker, without question, one of the gravest domestic situations facing the Nation today is that of providing vitally needed educational facilities for the youth of America.

The educational authorities of the Nation are practically unanimous in their testimony that there is a deplorable lack of qualified teachers and a disgraceful lack of proper classroom space; the statistics backing up this testimony are so overwhelming that no sensible person even begins to think of questioning them.

It is only too obvious that the teacher shortage arises from the continuing low pay level and discouraging teaching conditions. It has been authoritatively estimated that only about 6,000 classroom teachers in the entire country are paid as much as $6,500 per year, and in a great many instances the starting salaries are lower than those of the unskilled laborer. In contrast, the attractiveness of industrial offers compel legions of those best qualified to forsake heartfelt teaching ambitions in order to provide for their own families.

In the matter of physical schooling facilities, the most conservative figures show that the Nation's public schools will require additions of more than 40,000 classrooms each year until 1960. This need develops, of course, from the unprecedented enrollment increase coming from our ever-advancing birthrate. The number of school-age children, 5–17, will rise by 13.6 million during the current decade, 1950–60. This compares with an increase of only 9.4 million in the preceding 50 years, 1900–50. Those are the simple figures.

From the numerous reports of the various educational commissions and committees studying the subject these past few years, it becomes apparent that most of the States and school districts have demonstrated inability to cope with the increase in school population, a shifting school census and a teacher shortage.

Recognizing then, as we must, this schooling crisis that has come upon us, we face two very serious questions. First, it is a matter of Federal Government concern and obligation; secondly, if it is, then in what manner and to what extent should the Federal Government participate toward its solution?

As to the first question, surely the adequate education of all American youth is essential to the Nation's preservation. Unquestionably, the country's most fundamental resources and strength lay in its youth, rather than in the soil or in the climate or any other material thing. Certainly, every American child has a right to pursue, and to have made available for such pursuit, an adequate educational opportunity. Undeniably, the Federal Government is charged with the obligation of promoting the general welfare and it would seem axiomatic that the promotion of the general welfare embraces assistance for the education of American children, more especially when the denial of educational opportunity is near to a national disgrace.

If we accept the principle of Federal obligation, as I believe in conscience we must, then we can find the ways and the means for the extension of reasonable assistance to States from the National Government. School financing naturally presents great difficulties as, indeed, does the financing of all essential services these days. There are in existence numerous financial plans and programs drawn up and suggested by experts in the field of both finance and education and they need no recitation here. I will be the last to pretend infallibility in pointing out the wisest and the best. I will be among the first to lend my modest talents but unrelenting efforts in persevering study and work for the enactment of a Federal legislative program to aid in the satisfactory solution of this school crisis.

Properly educating our youth is the best possible investment the National Government and the individual States can make for the future of this blessed country. With Christian generosity we have poured our resources into hamlets at the ends of the earth for the rehabilitation of people less blessed than we are. We can surely, then, afford to reasonably pay for the education of American youth and provide higher teaching salary levels for the heroic group of men and women who would loyally devote their lives and their learning to the instruction of the Nation's children if they could decently live within that holy vocation.

Mr. Speaker, there are, indeed, many pressing problems still facing this Congress. In my opinion, the national school crisis is, perhaps, our paramount domestic challenge at present. I earnestly hope, therefore, that the Congress will stay in session until, at the very least, some temporary or emergency legislation may be passed to begin the fulfillment of the moral and patriotic obligation resting upon all American units of government to insure adequate educational opportunities for the youth of America.

Speech Delivered by Hon. Abraham J. Multer, of New York, at the 46th Annual Convention of B'Nai Zion at Monticello, N. Y., on June 4, 1955

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 27, 1955

Mr. MULTER. Mr. Speaker, it was my privilege to be a guest speaker at the 46th annual convention of B'nai Zion on June 4, 1955, at Monticello, N. Y.

The 4-day convention began on June 3, 1955, and was attended by many distinguished leaders of Jewry including Yehuda Harry Levin, counselor of the Embassy of Israel, and the Honorable Bartley C. Crum, former member of the Anglo-American Commission of Inquiry on Palestine.

The speakers at the 4-day convention included Supreme Court Justice Arthur Markewich, president of B'nai Zion; Dr. Harris J. Levine, past president of B'nai Zion and president of the Jewish National Fund; Mendel N. Fisher, executive director of the Jewish National Fund; Benjamin E. Gordon, chairman of the B'nai Zion Foundation; Herman Z. Quittman, secretary of B'nai Zion. Among the many others who contributed to the success of the convention were Nathaniel S. Rothenberg, Hyman J. Fliegel, Norman G. Levine, Rudolph Edelson, Elias Epstein, Dr. Samuel Margoshes, Dr. Jacob I. Steinberg, Dorothy S. Levine, Hon. Harry A. Pine, Louis K. Bleecker, Benjamin Dantzker, Alazar Kushner, Joseph Kleiman, Dr. Sidney Marks, A. A. Redelheim, Herman Sperling, and Mike Funk.

I believe the text of my remarks on that occasion may be of interest to our colleagues. They are as follows:

Mr. Chairman, distinguished guests upon the platform, fellow members and friends, I am in a somewhat difficult position. Our nassi (president) has already complimented the ladies. All of the compliments that can be thought of, together with our congratulations, have been extended to Herman and his good wife and to their son. You have been told the story about the silver and I understand the ladies have collected about all the silver that is available in exchange for the raffle tickets. Well, that sounds illegal. I mean, in exchange for a share in a diamond ring that somebody is going to take home.

I could talk about the Jewish National Fund, but Mendel Fisher didn't send me a letter. I could talk about the national lawyers committee of the Jewish National Fund Foundation, but I don't know whether I should because Abe Tuviem gave me his promise he

would play customer's golf with me tomorrow, if I did. I am not sure that I want to play that kind of golf with him. Of course, as Judge Markewich told you, I did submit an advance copy of some of the things I intended to say tonight and part of them he has already used in his script. But I have learned from past experience that what you are going to send to the press as an advance copy of your speech, don't send to any of the speakers that are going to precede you on the platform. So maybe I will fool him. Although you can't help but talk about some of the same general subjects at a meeting of this kind, I will try to put it in just a little different language than he has already used and try to save something also for those that are going to follow me on the platform at this convention. That may save you from the boredom of too much repetition.

Now I chose for the topic of my brief comments tonight not what the Jewish National Fund has done during the years, not what B'nai Zion has done during the years, not what you are going to do in the years to come as you strengthen your membership by bringing new blood into the organization, not by talking about how you are the backbone of the Zionist movement and have been and will continue to be, nor about the fact that the Jewish National Fund could hardly carry on without the aid of B'nai Zion.

I have chosen a topic which I am sure is uppermost in your minds as it must be in the minds of every Jew throughout the world and that is, "What is wrong with our American Government?"

Now there are a great many things that are right about our American Government, but there are 1 or 2 things that are wrong. Some of those things that are wrong touch you and me very closely. And you and I and our friends will have to do something about it.

Now within the meaning of the words "What is wrong with our American Government?" you can very easily take anyone of three topics.

You could take our immigration laws, and I touch upon that first so there will be no doubt in anybody's mind that I am not being political in my criticisms about government today because although I am a Democrat, I am very much ashamed of the fact that the immigration laws of this country bear the names of two Democrats and I think most highminded Democrats disown the principles of both the late Senator McCarran and my colleague, who still sits with me in the House of Representatives, Mr. WALTER, as written into the McCarran-Walter Immigration Act. I have said many times before, and I will say many times again, that act is a blot upon the history of our country and both parties are responsible for it. However, the leader of the Republican Party, the President of these United States, must bear the responsibility for that law not being corrected, and, to his everlasting shame, history will record that he made a deal, a political deal, with the authors of that Immigration Act not to press for amendments of it, in exchange for a refugee act that is a fraud and a scandal. If the act has not been properly administered up to the present time, he must also bear the blame for that. In blaming him for that today let us recall that a certain Senator, whom I need not name, no longer holds a whip hand over the President or over his Secretary of State or over the Republican Party. If the McCarthy nominee in charge of that program is still there and in charge of it, our President, together with his Secretary of State, must bear the blame for it.

I refer to the Immigration Act because it indicates a lack of sympathy on the part of Americans in high official place, a lack of sympathy for the needs and for what must be done to help people outside of our country who can't otherwise be helped.

Now I come to the second of the things that I think is wrong with our Government. It is typified by the following quotation from a member of the President's Cabinet and if when she reads it, if she does read, in the newspapers anything that I have said here tonight and says that the quotation was taken out of context of the speech she made on Thursday, my answer is "Yes." Deliberately I have taken it out of context.

Let me read what Secretary Hobby said to a graduating class at the Presbyterian Medical Center on Thursday of this week and I quote: "Lacking your training, lacking your experience and your knowledge, we will at times seem remarkably inept." Those are the words used on Thursday of this week by Mrs. Hobby, Secretary of the great Department of Health, Education, and Welfare of this country. That is the same lady who has not found time to attend before the congressional committees and explain why she was so inept in the handling of the Salk vaccine program in this country. She has time to make speeches and attend parties but on every day that she was supposed to attend before a congressional committee she claimed either illness or that she had to chase off to some place distant from Washington.

What she said typifies the ineptness of the administration in charge of the executive department of our American Government. That also typifies the lack of sympathy of those people in high Government place. I pointed out to you a moment ago their lack of sympathy for the foreigner. Now I am pointing out to you the lack of sympathy for our own children and for our own country's welfare. I am sure you will agree with me that the Canadians and the Canadian Government do not love their children any more than we do and their government does not have any more desire to protect their children than our Government should have to protect ours. But the ineptness of the administration indicates its lack of sympathy with human problems. We provide free vaccines and toxins for our cattle without socializing the cows or the farmers. But to do as much for our children, Mrs. Hobby tells us, will drive us into socialization of medicine.

Is it any wonder that we should be so concerned about the lack of sympathy of this same Government and these same high-placed Government officials with the problems that concern us so dearly and so closely as they involve the Middle East and particularly the new state of Israel for which you and I and our fathers and mothers labored so long and so hard, and for which we will continue to work hard.

It is hard to understand how we could have a President in these United States who voices his desire for worldwide peace and who talks about his interest in human beings, how liberal he is where the human element is involved and how conservative he is where property values are concerned, and yet takes so little interest in what his Secretary of State is doing.

I do not agree for one moment with any of those who attribute any anti-Semitism or any anti-Jewishness to our Secretary of State. At the same time I refuse to concede that there is a single Jew anywhere in these United States who is one bit less patriotic and less loyal to this country than is our Secretary of State. I refuse to believe that there is a single Jew anywhere in these United States who would not put the national security of this country ahead of even the national security of the new State of Israel. But none of us are called upon to do that. You need not put our national security ahead of the national security of any other people or any other country in order to work for and bring about a genuine peace in the world.

Sholom is the word that resounds through our Torah. Sholom is the word that is preached to us from the day we are old enough to understand. Sholom is the word and the principle and the concept that Jews have carried with them wherever they have gone from time immemorial and which we will always preach and practice. It would seem, however, that everybody except our State Department knows how to bring about peace in the Middle East. We are told on every side that the greatest accomplishment of this Republican administration in Washington is worldwide peace. I suppose we must concede that there is no worldwide war.

We might even further concede that there is no declared war. At the same time, unless we stifle our senses, we must know that there is no peace. The protestations of our State Department that it desires peace in the Middle East can be likened to a doctor treating a mental patient afflicted with homicidal tendencies by telling him, "behave yourself," and while using expressions of good behavior to him, hands to this mental patient a loaded gun.

I have many times urged that peace in the Middle East can very quickly be established if our Government took the position that we would give no aid to the Arabs unless they consummated in good faith treaties of peace with the State of Israel. I have also many times urged that if we gave to the Arab States economic aid, we could divert the Arabs' attention from their military threats and desires to improving their standards of living. Everyone but our State Department seems to understand that you can't establish peace by encouraging violence. If you can't do it in the treatment of juvenile delinquency, how can you do it with adults? We know if you want to prevent crime you don't do it by teaching people how to use drugs or guns or weapons.

But our great Government can't understand that nations are groups or congregations of people and you must treat them as you would treat humans and you can't encourage peace by delivery of military armaments.

At the recent conference in Bandung a declaration on Palestine was adopted. Israel was not invited to attend. The Arab States were invited to and did attend. The declaration as there adopted referred to the existing tension in the Middle East and I quote, "of the danger of that tension to world peace." The declaration called for the implementation of the United Nations resolutions on Palestine and, over the objections of the Arabs, the declaration included a call for, and I quote, "the peaceful settlement of the Palestine question." This is just one more resolution that the Arabs will ignore.

What right have we or anyone else to think the Arabs would pay any more attention to this resolution than to past resolutions which called upon them to renounce their belligerencies, to call off their blockades, to extend their armistice agreements to final peace settlements, and to integrate the Arab refugees into the Arab economies?

Every day that goes by without our Government making earnest efforts to establish peace in the Middle East and every utterance of the thought that armaments to the Arab states can establish peace is further proof of the Communists that our Government talks peace and acts war.

To those who say I am too critical of our Government, I say I am critical only when I can offer a solution. I don't pretend to be omniscient. I don't pretend to be infallible. But I have offered a solution. Maybe there is another solution or even a better one. If there is, then I call upon our Government to announce what that solution is and try to implement it.

As I see it, the solution is not military aid but a firm insistence upon suspension of hostilities and of all blockades and then move in with economic aid and teach these

people to live as decent humans and to learn to love their neighbors as themselves. All a Jew ever asks anywhere is to be permitted to love his neighbor as himself and to be permitted to treat the stranger in his midst as one who belongs. That, my friends, is my brief message to you tonight. I do hope that in the year ahead you will continue the fine work you have been doing and that at the next convention we can get together and celebrate genuine world peace.

SENATE

THURSDAY, JULY 28, 1955

The Senate met at 11 o'clock a. m.

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

O Thou Father of our spirits, who hearest prayer and to whom all flesh shall come, breathe upon us now, we beseech Thee, the benediction of Thy holy calm. Instead of regarding our tasks as drab burdens may they be edged with crimson and gold as we lift them up into Thy light. Create in us the splendor that dawns when hearts are kind.

May we hear Thy call in the thunder of these tumultuous times. In this day of destiny, when the hammers of Thy purpose are beating out new shapes on the anvil of the world, may this dear land of ours be fashioned into an instrument through which Thy will may be done on the earth. So may we become workers together with Thee in a world distraught, uncertain, groping, and in desperate need of Thy guidance. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BIBLE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 27, 1955, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of July 27, 1955,

Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, to which was referred the bill (S. 2402) to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, reported it favorably, with an amendment, on July 27, 1955, and submitted a report (No. 1176) thereon.

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of July 27, 1955,

The following executive reports of committees were submitted on July 27, 1955:

By Mr. GEORGE, from the Committee on Foreign Relations:

Executive I, 83d Congress, 2d session, a notification given by the Government of the Netherlands, in accordance with article XXVII of the convention of April 29, 1948, between the United States of America and the Netherlands, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and certain other taxes, with a view to extending the operation of the convention, with certain limitations, to the Netherlands Antilles, dated June 24, 1952; without amendment or reservation (Ex. Rept. No. 12);

Executive I, 84th Congress, 1st session, a protocol, signed on June 15, 1955, supplementing the convention between the United States of America and the Kingdom of the Netherlands with respect to taxes on income and certain other taxes for the purpose of facilitating extension to the Netherlands Antilles; without amendment or reservation (Ex. Rept. No. 12);

Executive C, 84th Congress, 1st session, a convention between the United States of America and the Italian Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on March 30, 1955; without amendment or reservation (Ex. Rept. No. 12); and

Executive D, 84th Congress, 1st session, a convention between the United States of America and the Italian Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances, signed at Washington on March 30, 1955; without amendment or reservation (Ex. Rept. No. 12).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and seventy-three postmasters.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. BIBLE. Mr. President, under the rule, there is a regular morning hour today for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business. I ask unanimous consent that statements made in connection therewith be limited to 2 minutes.

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

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

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

Morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF FOREIGN-TRADE ZONES BOARD AND FOREIGN-TRADE ZONES NOS. 1, 2, 3, 4, AND 5

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Foreign-Trade Zones Board, for the fiscal year ended June 30, 1954, together with the report covering the operations during the same period of Foreign-Trade Zones Nos. 1, 2, 3, 4, and 5, located, respectively, at New York City, New Orleans, San Francisco, Los Angeles, and Seattle (with accompanying documents); to the Committee on Finance.

REPORT OF UNITED STATES TARIFF COMMISSION ON TRADE AGREEMENTS PROGRAM

A letter from the Chairman, United States Tariff Commission, Washington, D. C., transmitting, pursuant to law, the report of that Commission on the Operation of the Trade Agreements Program, for the period July 1953 to June 1954 (with an accompanying report); to the Committee on Finance.

CONCESSION CONTRACT IN MOUNT MCKINLEY NATIONAL PARK, ALASKA

A letter from the Assistant Secretary of the Interior, transmitting, for the information of the Senate, a contract for the temporary operation of McKinley Park Hotel, Mount McKinley National Park, Alaska (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON PROVISION OF WAR-RISK, AND CERTAIN MARINE AND LIABILITY INSURANCE FOR THE AMERICAN PUBLIC

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war-risk insurance and certain marine and liability insurance for the American public, as of June 30, 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF PROCEEDINGS OF SPECIAL MEETING OF JUDICIAL CONFERENCE

A letter from the Chief Justice of the United States, transmitting, pursuant to law, a report of the Proceedings of a Special Meeting of the Judicial Conference of the United States, held at Washington, D. C., March 24–25, 1955 (with an accompanying report); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

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

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

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. Res. 132. Resolution to provide additional funds for the Committee on Labor and Public Welfare; without amendment (Rept. No. 1177).

By Mr. GREEN, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 36. Concurrent resolution requiring conference reports to be accompanied by statements signed by a majority of the managers of each House (Rept. No. 1180);