LET'S WRITE A CONTRACT ENFORCEABLE IN THE COURTS

The first step would be the negotiation of a sales contract between automobile manufacturers and dealers carrying provisions of mutual responsibility and enforceable in the courts.

Such a contract should eliminate completely all oral orders or suggestions to the dealers by factory spokesmen with the threat of force.

Such a contract might well be flexible enough to protect the dealer and the factory in years of high or low public demand, of high or low production. It might be feasible, for example, that the allotment of cars to distributors for sale could be made annually by mutual consent upon the historic basis of public demand with a provision for a bonus of extra cars for the distributor with a good record in an area of high demand, and a provision to the effect that in times of high inventory and difficult sales the factory bear a part of the loss resulting from over production.

If dealer councils are necessary to maintain a sound basis of mutuality between the factory and the dealer, then both the manufacturer and the dealer should have an equal hand in selecting the persons to sit upon the councils. The dealers should have the right to organize in their respective regional areas and elect the members who are to represent them on such industry councils.

The pattern of procedure should be established by Federal law so that it would have a permanent status, and not be subject to fluctuation with the changes of managers.

This should be a rule of order ratified by the national Congress, and it would point out to every other industry how a self-governing economic system could be established, abolishing arbitrary powers for either management or Government, but establishing under written contracts mutual rights to which all parties concerned could appeal in case of disputes to the judicial system established by the Federal Constitution.

SENATE

WEDNESDAY, FEBRUARY 1, 1956

(Legislative day of Monday, January 16, 1956)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

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

God of grace and God of glory, trusting only in Thy mercy would we seek Thy face. We are but frail children of dust. As for every one of us swift to its close ebbs out life's little day, so teach us to number our days that we may apply our hearts unto wisdom.

In a confused day, keep our minds clear and clean and uncluttered by prejudice. In a darkened day, when so many lights have gone out, give us the sight and the insight of the pure in heart that we may see God and the godlike everywhere. In a clamorous day, filled with angry accents of hatred and suspicion, give us ears to hear the voices that speak of justice and freedom and world understanding. In a mad day, grant us sanity of mind in our outlook and a glad and buoyant hope that sends a shining ray far down the future's broadening way. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, January 31, 1956, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations be authorized to meet this afternoon while the Senate is in session.

Mr. JOHNSON of Texas. Has the Senator from Arkansas cleared the matter with the minority leader?

Mr. McCLELLAN. No, I have not.

Mr. JOHNSON of Texas. Will the Senator from Arkansas withhold his request until I can consult with the minority leader?

Mr. McCLELLAN. Yes.

Mr. McCLELLAN subsequently said: Mr. President, I now renew my request for unanimous consent that the Senate Permanent Subcommittee on Investigations be allowed to hold hearings this afternoon while the Senate is in session.

Mr. KNOWLAND. I have no objection.

Mr. McCLELLAN. I thank the Senator from California.

The PRESIDENT pro tempore. Without objection, consent of the Senate is granted.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

ORDER FOR HOUR OF MEETING ON MONDAY, FEBRUARY 6, 1956

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate meets on Monday next, it convene at 10 o'clock in the morning.

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

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, and that any statement made in connection therewith be limited to 2 minutes.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF BUREAU OF THE BUDGET

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a report of that Bureau on its Circular No. A-45 upon departments, agencies, and corporations of the Government (with accompanying papers); to the Committee on Appropriations.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the administrative expense authorization of the Commodity Credit Corporation for the fiscal year 1956 had been reapportioned on a basis which indicates a necessity for a supplemental estimate of administrative expense authorization (with an accompanying paper); to the Committee on Appropriations.

REPORT OF CAPITAL TRANSIT CO.

A letter from the President, Capital Transit Co., Washington, D. C., transmitting, pursuant to law, a report of the operations of that company, for the calendar year 1955 (with accompanying papers); to the Committee on the District of Columbia.

REPORT OF GENERAL SERVICES ADMINISTRATION

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting, pursuant to law, his report for the year ended June 30, 1955 (with an accompanying report); to the Committee on Government Operations.

PAYMENT OF OPERATION AND MAINTENANCE CHARGES ON CERTAIN PUEBLO INDIAN LANDS

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AUTHORIZATION FOR COUNTY OF CUSTER, MONT., TO CONVEY CERTAIN LANDS TO THE UNITED STATES

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the County of Custer, State of Montana, to convey certain lands to the United States (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT OF INTERSTATE COMMERCE COMMISSION

A letter from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, the 69th annual report of that Commission, dated November 1, 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON FINAL VALUATIONS OF PROPERTIES OF CERTAIN CARRIERS

A letter from the Chairman, Interstate Commerce Commission, Washington, D. C., transmitting, pursuant to law, copies of final valuations of properties of certain carriers (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

TEMPORARY ADMISSION INTO THE UNITED STATES OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, Washington, D. C., transmitting, pursuant to law, a copy of a confidential order granting temporary admission into the United States of Alexander McAuslane (with an accompanying paper); to the Committee on the Judiciary.

FIVE-YEAR PROGRAM FOR CERTAIN FEDERAL CONSTRUCTION GRANTS

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to provide a 5-year program of Federal construction grants for the purpose of assistaing medical and dental schools to expand and improve their research and teaching facilities, and of assisting other public and nonprofit institutions engaged in medical or dental research to expand and improve their research facilities, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

Resolutions adopted by the City Council of the City of Woodlake, the Woodlake Valley Chamber of Commerce, the Woodlake Lions Club, the board of directors of the Woodlake Rotary Club, and the Camellia Circle Garden Club, all of the city of Woodlake, Calif., favoring the enactment of legislation to provide funds for the construction of the Terminus and Success Dams in California; to the Committee on Appropriations.

The petition of Mr. and Mrs. A. Szablewski, of Brooklyn, N. Y., praying for the enactment of the so-called Bricker amendment, relating to the treatymaking power; to the Committee on the Judiciary.

The petition of Wayne S. Werkheiser, and Donald W. Werkheiser, praying for the enactment of an amendment to the Constitution of the United States to fully guarantee free public education for everyone; to the Committee on the Judiciary.

A resolution adopted by the Council of the Village of North St. Paul, Minn., protesting against the enactment of the bill (H. R. 4560) to amend the Natural Gas Act, as amended; ordered to lie on the table.

SOIL AND WATER CONSERVATION—RESOLUTION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the North Dakota Association of Soil Conservation Districts, at Fargo, N. Dak., relating to research on problems pertaining to soil and water conservation.

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

Whereas the soil conservation research program being conducted cooperatively by the Agricultural Research Service and the land-grant colleges is of vital importance in developing best possible soil-conservation measures and sound land-use practices; and

Whereas funds are inadequate to carry out the research program urgently needed to answer current soil- and water-conservation problems; and

Whereas new investigations are needed to study means of draining, reclaiming, and improving saline and alkali soils in North Dakota where it is estimated that salinity is inhibiting crop production on 200,000 acres in the Red River Valley alone; and

Whereas new investigations are needed to study means of increasing the efficiency of moisture use and reducing erosion in dryland and range farming areas and to solve drainage, irrigation, and soil-management problems in new irrigation areas so as to improve agricultural production and preserve our soil resources: Now, therefore, be it

Resolved, That the North Dakota Association of Soil Conservation Districts, assembled in Fargo this 18th day of November 1955, go on record in requesting that Congress support research on problems pertaining to soil and water conservation. These problems are being worked on cooperatively by the Agricultural Research Service of the United States Department of Agriculture and the North Dakota Agricultural Experiment Station. To meet the need in North Dakota alone $60,000 more annually could be used effectively; be it further

Resolved, That copies of this resolution be sent to each member of our North Dakota delegation in Congress; the Secretary of Agriculture; the president of the National Association of Soil Conservation Districts; the Administrator of the Agricultural Research Service, United States Department of Agriculture, Washington, D. C.; the Chief of the Soil and Water Conservation Research Branch, Agricultural Research Service, United States Department of Agriculture, Beltsville, Md.; the director of the North Dakota Agricultural Experiment Station, Fargo, N. Dak.; and appropriate committees in the State legislative bodies.

ONE HUNDRED PERCENT OF PARITY—RESOLUTION OF DICKEY COUNTY (N. DAK.) FARMERS UNION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Dickey County Farmers Union, at Forbes, N. Dak., relating to 100-percent parity for farm prices.

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

Whereas the cost-price situation for agriculture is getting so severe that more and more farmers are finding it difficult to finance their production operations for the year of 1956; and

Whereas the sliding scale and the Department of Agricultural Economics is promising still further decline in agricultural prices and still higher operating costs in 1956, which will drive hundreds of thousands of farmers to the brink of bankruptcy; and

Whereas all of society and the President of the United States have repeatedly acknowledged that farmers are entitled to, and for the good of all economic segments of society, and with no ifs, ands or buts, must have, their full 100-percent parity income; and

Whereas the present situation and outlook for agriculture in the coming years is getting desperate for the Nation's farmers: Now, therefore, be it

Resolved, That we, the members of the Dickey County Farmers Union, in convention assembled in Forbes this 21st day of January 1956, do petition and demand that Congress immediately enact emergency legislation and make available appropriation of funds to pay farmers subsidy checks representing the difference between the prices received in the market place and 100 percent of parity, such emergency payments to be made retroactive for all farm commodities sold since May 1, 1955, and to be effective until such time as Congress can enact permanent legislation that will provide security for farmers at 100 percent of parity for all farm commodities; be it further

Resolved, That we will welcome marketing quotas, and production and marketing controls if and when it becomes necessary to keep production in line with consumption but not to a point of scarcity; be it further

Resolved, That a copy of this resolution be sent to the congressional Committees on Agriculture, the Secretary of Agriculture and the President of the United States.

DICKEY COUNTY FARMERS UNION,
GOTTLIEB HARTMAN, *President*.

PRESERVATION OF AMERICAN FORM OF GOVERNMENT—RESOLUTION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the League of Republican Women of Jackson County, Jackson, Mich., relating to the treatymaking power.

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

RESOLUTION TO PRESERVE AMERICAN FORM OF GOVERNMENT FROM CHANGE BY TREATY LAW

The League of Republican Women of Jackson County, Jackson, Mich., believing that America will perform its role in world affairs better if it first protects the rights and liberties of its own citizens and preserves the American form of government from change by treaty law hereby resolves to continue its fight for an adequate amendment to the Constitution of the United States of America to provide:

1. That a provision of a treaty or other international agreement to be valid must not conflict with any provision of the Constitution; and

2. That treaties and other international agreements shall not become internal law in the United States except through appropriate legislation otherwise constitutional.

Unanimously adopted January 20, 1956.

Mrs. F. A. DEES,
Corresponding Secretary.

ADOPTION OF THE HOOVER COMMISSION REPORT—RESOLUTION

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the League of Republican Women of Jackson County, Jackson, Mich., relating to recommending the adoption of the recommendations of the Hoover Commission report.

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

RESOLUTION FOR THE HOOVER REPORT

Whereas the Founding Fathers of the Constitution of the United States of America did create a Government to be the servant of the people; and

Whereas it was the founders' avowed purpose to prevent government from enslaving its people; and

Whereas today ever increasing and ever self-propagating bureaus are endangering this constitutional Government, so ordained and so dedicated by our forefathers; and

Whereas this bureaucratic trend could be halted by the immediate adoption of the Hoover report, which recommendations would save approximately seven and one-half billions of tax dollars at the same time resulting in increased efficiency and service to the people; and

Whereas this saving would be an equivalent of 25 percent reduction in Federal income tax yearly, payment of every taxpayer: Be it

Resolved, That the Jackson County League of Republican Women of Jackson, Mich., do hereby petition the President of the United States and the Congress of the United States to adopt and put into effect the recommendations of the Hoover report at the earliest possible date.

Unanimously adopted January 20, 1956.

RESOLUTIONS OF THE ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICERS

Mr. LANGER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a series of resolutions adopted by the Association of State and Territorial Health Officers, at Cheyenne, Wyo., relating to water pollution control, and so forth.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Public Works:

"RESOLUTION 2

"SUPPORT OF WATER POLLUTION CONTROL PROGRAM

"Whereas Public Law 845 (80th Cong.) provided for a Federal water pollution program which, during its operation, has contributed to the support of State water pollution control programs through technical assistance, research, and for 3 of its 8 years of existence, grants-in-aid; and

"Whereas the fiscal provisions of this law expire on June 30, 1956, and the Congress is now considering legislation on this important subject; and

"Whereas there is a great need for continued and expanded support of State water pollution control programs; and

"Whereas experience has shown that control of this highly complex environmental problem is best secured through a State-Federal cooperative approach: Therefore be it

"*Resolved*, That the Association of State and Terriorial Health Officers in annual session assembled, November 6–11, 1955, reaffirm its position favoring Federal water pollution control legislation, the provisions of which would continue recognition of the primary responsibility of States in controlling pollution and would extend and improve existing law by broadening research authorization, and providing for program grants-in-aid to States; and be it further

"*Resolved*, That each State be urged to enlist the support of its congressional delegation for enactment of such legislation during the second session of the 84th Congress; and be it further

"*Resolved*, That a representative be authorized to appear at any congressional hearing that may be called to express the views of this association; and be it further

"*Resolved*, That the association transmit a copy of this resolution to each Member of Congress."

To the Committee on Labor and Public Welfare:

"RESOLUTION 4

"SUPPORT OF HILL-BURTON PROGRAM EXTENSION

"Whereas the Hill-Burton program has been a highly satisfactory joint State and Federal endeavor but its original goals have not been achieved because of the increased construction costs since 1946, rapid population increases, and rapid obsolescence of existing hospital facilities; and

"Whereas there thus continues to exist a serious bed shortage in the United States, particularly the facilities for the care of mental and long-term patients; and

"Whereas this association in 1952 recommended that the hospital survey and construction program be extended 5 years beyond its termination date of June 30, 1955; and

"Whereas the action by the 83d Congress extended the duration of the program to June 30, 1957: Be it therefore

"*Resolved*, That the hospital and medical facilities survey and construction program be extended for an additional 5 years to provide authorizations for appropriations through June 30, 1962, and that necessary legislation be supported in the 84th Congress in 1956."

"RESOLUTION 5

"REQUEST FOR CONTINUANCE OF POLIOMYELITIS VACCINE PROGRAM

"Whereas the intent of Congress as expressed in the poliomyelitis assistance legislation providing funds to State to make possible broad application of polio vaccine could not be carried out within the limitations of time provided in these laws; and

"Whereas the difficulties in implementing the mass application of vaccine as provided in said legislation were beyond the control of public health agencies relating primarily to inadequate quantities of vaccine becoming available for purchase by State health departments; and

"Whereas by February 15, 1956, public vaccination programs stimulated by congressional action will probably have reached only a small portion of the child and pregnant women population; and

"Whereas it is the sense of the Association of State and Territorial Health Officers that a high percentage of the population 19 years of age and under must be given 2 or 3 injections of polio vaccine in order to materially reduce this disease; and

"Whereas most States and communities need continued assistance in getting the large reservoir of population protected initially: Be it therefore

"*Resolved*, That Congress be urged to facilitate continuation of a poliomyelitis vaccination program by enacting legislation that will provide funds enabling States to purchase poliomyelitis vaccine after February 15, 1956, on the same basis as has existed prior to February 15 under the provisions of Public Law 377, 84th Congress, chapter 863, 1st session."

"RECOMMENDATIONS OF THE ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICERS

"FEDERAL RELATIONS COMMITTEE

"The association recommends:

"1. Opposition to earmarking of extension and improvement funds: That recognizing the importance of the provision by the Congress of funds for the extension and improvement of public health services, funds for such service be sought; however, the Association of State and Territorial Health Officers opposes the principle of earmarking such funds.

* * * * *

"4. Request for dollar-to-dollar matching of grants-in-aid to States with less than 400,000 population: That the Department of Health, Education, and Welfare, the Bureau of the Budget, and the Congress be requested to maintain a standard maximum matching requirement of $1 of State and local funds for each dollar of Federal grant expended to the States with a population of less than 400,000.

"SPECIAL COMMITTEE ON CIVIL DEFENSE

"The association recommends:

* * * * *

"6. Requesting grant-in-aid to States for Civil Defense Administration: That the Federal Civil Defense Administration Act of 1950 (Public Law 920, 81st Cong.) be amended to permit grants-in-aid to the States for civil defense administration."

FEES FOR GOVERNMENT SERVICES—REPORT OF A COMMITTEE (S. REPT. NO. 1467)

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, under the provisions of Senate Resolution 140, I submit a report entitled "Fees for Government Services," and ask that it be printed. I ask unanimous consent that a statement, prepared by me, in reference to the report, be printed in the RECORD.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Arkansas; and, without objection, the statement will be printed in the RECORD.

The statement, presented by Mr. McCLELLAN, is as follows:

This report reviews action taken by the various committees of Congress in regard to the feasibility and practicability of establishing appropriate fees and charges for special services rendered by the Government for the benefit of persons or agencies other than for the public benefit. The report reiterates the position taken by this committee in a similar report to the Senate in the 81st Congress (S. Rep. No. 2120). The report expresses the view that the assessment of fees generally, is far too broad to be covered by general legislation, and that if practical results are to be obtained, remedial action should be taken by individual acts of Congress drafted by specialists in special fields.

This report is submitted to accord with the provisions of Senate Resolution 140, submitted on July 27, 1955, by members of the Senate Committee on Interstate and Foreign Commerce, which directed the Committee on Government Operations to make a full and complete study and investigation into the status of the fees program. In addition to outlining the various legislative actions taken since the program was originally initiated in 1950 by the Committee on Government Operations, the report contains a compilation from the various Federal departments and agencies of present fees and service charges assessed under authority of Public Law 137 of the 82d Congress, which authorized agencies to assess appropriate fees for the purpose of reimbursing the United States for services rendered to special interests or groups?

Many of the Federal agencies, in responding to the committee's request, have submitted complete schedules of fees now being charged for specified services. This is particularly true in connection with the reports from the Departments of Commerce, Agriculture, and Interior, where all fees and charges for services rendered by those Departments are tabulated. Certain other agencies, such as the Federal Communications Commission, the Interstate Commerce Commission, and the Civil Aeronautics Board have listed their present schedules of fees, and programs initiated to adjust such fees, which have been held in abeyance to accord with a resolution of the Senate Committee on Interstate and Foreign Commerce requesting that no adjustments be made until the Congress could give adequate consideration to the proposed increases and provide appropriate legislative authority.

EXTENSION OF TIME FOR COMMITTEE ON GOVERNMENT OPERATIONS TO FILE REPORT—REPORT OF A COMMITTEE

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, I report an original resolution, and move its immediate consideration.

The PRESIDENT pro tempore. The clerk will read the resolution, for the information of the Senate.

The legislative clerk read the resolution (S. Res. 202), as follows:

Resolved, That the first section of Senate Resolution 41, 84th Congress, 1st session, agreed to February 21, 1955, is hereby amended by striking out "January 31, 1956" and inserting in lieu thereof "February 15, 1956."

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arkansas.

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

Mr. McCLELLAN. Mr. President, Senate Resolution 41, to which the resolution under consideration refers, and which was adopted at the last session of Congress, granted authority to the Senate Committee on Government Operations to employ a staff and proceed with its duties up until and including January 31, 1956.

Since Senate Resolution 41, which would extend the time for a year, is pending on the calendar and has not been acted upon, the committee finds it necessary and advisable to present the pending resolution to extend the time for 15 days, because the committee has witnesses from out of town subpenaed.

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

Mr. McCLELLAN. I yield.

Mr. KNOWLAND. I wish to say the distinguished chairman of the committee has discussed this matter with both the majority leader and the minority leader. So far as I am concerned, I find the request to be a reasonable one. I shall be glad to cooperate by agreeing to an extension of 15 days, pending action on the resolution which is on the calendar.

Mr. JOHNSON of Texas. Mr. President, I may say for the RECORD that the distinguished chairman of the committee discussed the resolution with the majority leader. What he proposes is the appropriate procedure, and the only one to be followed under the circumstances. A similar situation is facing the Committee on Armed Services, and the committee will be asking for similar authority. As I understand, the resolution does not ask for an additional appropriation, and comes from the committee without disagreement. Is that correct?

Mr. McCLELLAN. There is no disagreement so far as I know. I had anticipated that the regular resolution would be acted on prior to this time. I found it had not been acted on, although hearings were scheduled, and I felt that it was necessary to present such a resolution as that now pending. The resolution does not increase the authority of the committee. It merely extends until the 15th of February, authority which was given at the last session.

Mr. JOHNSON of Texas. Mr. President, I hope the resolution will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 202) was agreed to.

EXTENSION OF TIME FOR EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

Mr. JOHNSON of Texas. Mr. President, the distinguished chairman of the Committee on Government Operations has reported and had adopted a resolution extending the time for the Permanent Subcommittee on Investigations to act. A similar situation faces the Preparedness Investigating Subcommittee of the Committee on Armed Services. I have talked to the distinguished ranking minority member of the committee and the acting minority leader, the Senator from Massachusetts [Mr. SALTONSTALL], I submit a resolution, and ask unanimous consent that it be immediately considered.

The PRESIDENT pro tempore. The clerk will read the resolution, for the information of the Senate.

The legislative clerk read the resolution (S. Res. 203), as follows:

Resolved, That Senate Resolution 72, 84th Congress, agreed to March 28, 1955, is amended by striking out "January 31, 1956," wherever it appears therein, and inserting in lieu thereof "February 29, 1956."

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Texas?

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

Mr. JOHNSON of Texas. Mr. President, I desire the RECORD to show that the resolution would merely extend the authority of the committee for 30 days, would give it an opportunity to meet and report whatever resolutions are deemed to be necessary, and would also give the Committee on Rules and Administration an opportunity to act.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 203) was agreed to.

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. BIBLE (for himself and Mr. MALONE):

S. 3102. A bill authorizing a monetary contribution for the flood-control accomplishments of the multiple-purpose Hoye Canyon Dam proposed to be constructed on the Walker River by the Walker River Irrigation District, a quasi-municipal corporation of the State of Nevada; to the Committee on Public Works.

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

By Mr. KENNEDY:

S. 3103. A bill for the relief of Eldur Eha; to the Committee on the Judiciary.

By Mr. KERR:

S. 3104. A bill to authorize the Chief of Engineers of the Department of the Army to contract with the city of Bartlesville, Okla., for water storage in Lake Hulah; to the Committee on Public Works.

By Mr. HICKENLOOPER:

S. 3105. A bill for the relief of Miss Betti O. Bollmann; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 3106. A bill to include the present area of Zion National Monument within Zion National Park, in the State of Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORSE:

S. 3107. A bill for freedom of choice in trade; to the Committee on the Judiciary.

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

By Mr. POTTER (for himself, Mr. THYE, Mr. HUMPHREY, Mr. WILEY, Mr. DIRKSEN, and Mr. BENDER):

S. 3108. A bill to encourage the construction of modern Great Lakes bulk cargo vessels; 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. CARLSON:

S. 3109. A bill to provide for voluntary coverage under the Federal old-age and survivors insurance system for self-employed dentists; to the Committee on Finance.

By Mr. BUTLER (for himself and Mr. COTTON):

S. 3110. A bill to prevent automobile manufacturers from coercing automobile dealers to purchase unwanted merchandise; to the Committee on Interstate and Foreign Commerce.

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

By Mr. WATKINS:

S. 3111. A bill to amend section 144 of title 28, United States Code; to the Committee on the Judiciary.

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

S. 3112. A bill to provide domestic and community sanitation facilities and services for Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (by request):

S. 3113. A bill to amend section 9 (c) (2) of the Merchant Ship Sales Act of 1946, as amended; to the Committee on Interstate and Foreign Commerce.

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

By Mr. LANGER:

S. 3114. A bill to transfer the Office of Alien Property Custodian from the Department of Justice to the Department of State, and for other purposes; and

S. 3115. A bill to transfer the Office of Alien Property Custodian from the Department of Justice to the Department of State, and for other purposes; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. J. Res. 132. Joint resolution to authorize the Secretary of Commerce to sell certain war-built cargo vessels and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CURTIS:

S. J. Res. 133. Joint resolution to limit the spending powers of the Congress and to provide for reduction of the national debts; to the Committee on the Judiciary.

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

RESOLUTIONS

The following resolutions were reported or submitted, and agreed to:

Mr. McCLELLAN, from the Committee on Government Operations, reported an original resolution (S. Res. 202) continuing the time for a report by the Committee on Government Operations under S. Res. 41, providing additional funds for said committee; considered and agreed to.

(See resolution printed in full, when reported by Mr. McCLELLAN, which appears under a separate heading.)

Mr. JOHNSON of Texas submitted a resolution (S. Res. 203) extending the time for Committee on Armed Services to make certain expenditures; considered and agreed to.

(See resolution printed in full, when submitted by Mr. JOHNSON of Texas, which appears under a separate heading.)

HOYE CANYON DAM, WALKER RIVER, NEV.

Mr. BIBLE. Mr. President, on behalf of myself, and my colleague, the senior Senator from Nevada [Mr. MALONE], I introduce, for appropriate reference, a bill authorizing a monetary contribution for the flood-control accomplishments of the multiple purpose Hoye Canyon Dam proposed to be constructed on the Walker River by the Walker River Irrigation District, a quasi-municipal corporation of the State of Nevada.

This bill points up the disastrous floods which have plagued the State of Nevada and other States in the West in recent years. Specifically, it would require that the Federal Government, through the flood control duties of the Corps of Engineers, assist a local irrigation district in constructing a dual purpose dam and reservoir.

Last April the Walker River Irrigation District of Nevada, at a special election, approved the issuance of securities to finance construction of a $1,300,000 dam and reservoir at Hoye Canyon on the West Walker River. This approval was given with the hope that the Federal Government, through a loan, might assist the local district, and might provide funds for the flood control benefits which would be an integral part of the proposed construction.

A recent reconnaissance report by the Bureau of Reclamation shows that the benefit ratio of the Hoye Canyon project is 2.4 to 1, meaning the return on such an investment by the Federal Government in this instance would be much higher than normal in dual-purpose reclamation projects. The Reclamation Bureau's report further indicated the flood control nonreimbursable costs are approximatey the same as the $690,000 set forth in this bill.

This bill would require an agreement between the Army Corps of Engineers and the irrigation district for operation and construction of the dam and appurtenances to provide flood control benefits. Federal funds made available would be administered by the Secretary of the Army.

Certainly, the full money burden of construction, designed for both irrigation and flood control, should not fall entirely on the ranchers who make up the membership of an irrigation district. Instead, when benefits from a dam, such as in the present instance, would aid the area generally in controlling floods, thereby protecting human life and property generally, then the proper percentage of cost should be borne by the Federal Government.

The Hoye Canyon dam as proposed here would include a 75,000 acre-foot capacity reservoir, with a 75-foot high earth dam, equipped with concrete spillways and a controlled tube outlet and gates. Likewise, the irrigation district hopes to carry out other canal work and increase the capacity of its Bridgeport dam in California.

Ranchers and residents living along the Walker River in western Nevada this winter, for the second time in 5 years, have seen their property damaged in the amount of $100,000 by storm-induced floods. Such damage over the last 50 years in this area is estimated at three-quarters of a million dollars, with the flood history showing more recurrent disasters in recent years.

In effect, this bill, if enacted, would assure a cooperative effort between the Federal Government, on the one hand in providing flood control measures, and by ranchers, who would gain directly from irrigation benefits and pay their proportionate construction costs at the same time.

Flood control is a growing problem, not only in the West, but in many parts of our country, as we know by disasters of the last year. This bill would reduce that menace in an important section of western Nevada.

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

The bill (S. 3102) authorizing a monetary contribution for the flood-control accomplishments of the multiple purpose Hoye Canyon Dam proposed to be constructed on the Walker River by the Walker River Irrigation District, a quasi-municipal corporation of the State of Nevada, introduced by Mr. BIBLE (for himself and Mr. MALONE), was received, read twice by its title, and referred to the Committee on Public Works.

CONSTRUCTION OF MODERN GREAT LAKES BULK CARGO VESSELS

Mr. POTTER. Mr. President, on behalf of myself, the Senators from Minnesota [Mr. THYE and Mr. HUMPHREY], the Senator from Wisconsin [Mr. WILEY], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Ohio [Mr. BENDER], I introduce, for appropriate reference, a bill to encourage the construction of modern Great Lakes bulk cargo vessels.

The existence of a strong and efficient Great Lakes bulk fleet under United States flag capable of competing with foreign vessels is essential to our domestic trades.

And unless Great Lakes bulk vessels under United States flag are able to compete with foreign vessels in international trade, the trend toward greater and greater use of the latter vessels will continue until finally United States fleet will decrease to a capacity sufficient only to transport the Nation's peacetime domestic commerce in these bulk commodities. In time of war such a fleet would not be adequate to handle the increased foreign and domestic commerce which would inevitably result at a time when this Nation would be compelled to rely more fully on its own resources.

At the present time there are 343 Great Lakes bulk cargo vessels under United States flag, representing a total trip capacity of 3,380,000 tons. Of these vessels, 103 are now 50 or more years old. By 1960, however, 201 vessels, or approximately 60 percent of the entire United States flag Great Lakes bulk cargo fleet, will be 50 or more years old. These vessels represent a total trip capacity of 1,900,000 tons.

In order to maintain an equivalent American flag carrying capacity, at least 20 new and more efficient vessels would have to be built now.

The question is, Will they be built in the face of high American building costs when it is possible that the services on which they operate can be replaced by international trade utilizing foreign flag vessels built at considerably less cost?

The Government, recognizing the importance of the shipbuilding industry and the need of maintaining a mobilization base in that industry in the past few years, has taken measures to assist that industry. A program of modernization of reserve fleet vessels is underway, a tanker trade-in-and-build program has been established, and a replacement program for the subsidized lines has been encouraged.

None of these programs have been of benefit to Great Lakes owners or shipbuilders, nor does existing law offer inducements that are sufficient to encourage the undertaking by Great Lakes operators of a program to build the vessels necessary to modernize the American flag fleet on those waters and enable them to effectively meet the indirect competition that will follow the opening of the seaway and the future development of foreign sources of raw materials.

This proposed legislation would offer great encouragement to domestic operators to replace their fleet and by establishing a reserve fleet of "Lakers," provide a safeguard in any national emergency that would be of comparable utility to the reserve fleet of tankers which is being built up under present law. It would also stimulate and maintain shipbuilding so essential to the Nation's mobilization base.

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

The bill (S. 3108) to encourage the construction of modern Great Lakes bulk cargo vessels, introduced by Mr. POTTER (for himself, Mr. THYE, Mr. HUMPHREY, Mr. WILEY, Mr. DIRKSEN, and Mr. BENDER), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

PREVENTION OF MANUFACTURERS FROM COERCING AUTOMOBILE DEALERS TO PURCHASE UNWANTED MERCHANDISE

Mr. BUTLER. Mr. President, on behalf of myself, and the Senator from New Hampshire [Mr. COTTON], I am

about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 2 minutes allowed under the order which has been entered.

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

Mr. BUTLER. Mr. President, this bill may prove to be the Magna carta of the franchised automobile dealers of this country.

As all Members of Congress know, automobile dealers are presently before committees of both Houses, seeking various legislative solutions to problems which arise out of their relations with the automobile manufacturers.

The National Automobile Dealers' Association, now holding its annual convention here in Washington, under the able leadership of Adm. Frederick J. Bell, has brought most of these problems to our attention. To the NADA's credit, it did not resort to asking Congress for help until it had exhausted every effort to get the automobile manufacturers to sit down at the conference table and work out equitable and binding, businesslike solutions to these problems.

The NADA and other automotive authorities have contended for years that the root of almost all troubles between automobile manufacturers and their franchised new-car dealers is to be found in the alleged onesidedness of the manufacturer-drawn, easily terminated franchise agreements. The manufacturers, on the other hand, in denying that their agreements are onesided or unfair, have apparently done little to accord the dealers any additional, enforcible contract rights.

Now the problem is in our laps. Indeed, it has been right there ever since the last days of the 83d Congress. Members will recall that the Senator from Ohio [Mr. BRICKER], then chairman of the Interstate and Foreign Commerce Committee, recognizing the seriousness of the problem, appointed a special subcommittee chairmaned by the Senator from Connecticut [Mr. PURTELL]. Its mandate was to study all phases of manufacturer-dealer relations in the automobile field.

With splendid bipartisan spirit, when the Senator from Washington [Mr. MAGNUSON] became chairman of the full committee, he continued this work; and he appointed the Senator from Oklahoma [Mr. MONRONEY], the present distinguished occupant of the chair, chairman of the automobile-marketing subcommittee.

The Senator from Oklahoma promptly drafted a comprehensive questionnaire, which he sent to 40,000 franchised automobile dealers all over the country. Almost 20,000 replied, in detail, the largest response ever had, I am told, to such a questionnaire. The results of this study have been objectively and intelligently recorded by the subcommittee headed by the Senator from Oklahoma, and have recently been published as an interim report.

One thing which stands out in my mind from the report is that the great majority of franchised automobile dealers blame most of their troubles on manufacturer pressure to buy unwanted merchandise.

I understand that the same dealer contention was prominent throughout the recent General Motors hearings conducted by the Antimonopoly Subcommittee headed by the Senator from Wyoming [Mr. O'MAHONEY]. However, I understand that there, too, the manufacturers steadfastly denied that they forced their franchised dealers to purchase unwanted merchandise. Nonetheless, during those hearings it was made clear—and this I consider to be very important—that if an automobile manufacturer cancels or refuses to renew an automobile dealer's franchise, due to the dealers refusal to buy unwanted merchandise, the dealer, because of the terms of the manufacturer-drawn franchise agreement, cannot bring a suit for breach of contract which will be heard on its merits in the courts of the country. Such a dealer has to leave the decision on his plea for a continuation of his franchise up to the sole discretion of the manufacturer.

It is undisputed that approximately 12 States already have enacted legislation making it unlawful for automobile manufacturers to terminate, or threaten to terminate, the franchises of new-car dealers if the reason for such threat or termination is that the dealers are unwilling to purchase, or refuse to purchase, the wares of the manufacturer.

Therefore, we come face to face with a simple, but basic, question: Should the Federal Government make it unlawful for automobile manufacturers to terminate, or threaten to terminate, the franchises of new-car dealers who are unwilling, or who refuse, to purchase unwanted merchandise? Stated in another way, the question is this: Should we give automobile dealers who contend that the principal reason or basic cause for the termination of their franchises was that they were unwilling, or refused, to purchase unwanted merchandise, a right to have such a dispute determined by a Federal court?

I have concluded that we should give this vital segment of the American small-business community at least that much protection. I am sure that others, including perhaps the NADA, will recommend that such dealers be given much more legislative assistance than my bill accords them. In addition to the legislation now pending, I understand that the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Wyoming [Mr. O'MAHONEY] intend to introduce certain other bills designed to protect the dealers and the public.

In view of the leading part which they and other Senators have played in this matter, I want it clearly understood that I ask no special credit for the bill I am introducing today. Indeed, I would welcome bipartisan cosponsorship of this carefully drafted measure.

While I prefer to discuss at a later date the merits of this bill in detail, I call attention to three of its chief features:

First, although the bill in no way amends or impairs our antitrust laws, it is carefully patterned after pertinent provisions of those statutes. This was done because the Sherman and Clayton Acts have stood the test of time. Furthermore, those statutes and this bill have the same ultimate purpose; namely, to protect the general public and the parties directly injured by conduct hereby declared to be unlawful.

Second, the bill accords to any automobile dealer whose franchise is terminated in violation of this proposed statute, the right to sue in the Federal district courts for injunctive relief and damages.

Third, the bill in no way restricts the right of a manufacturer to terminate the franchise of a dealer, if the true cause of termination is that the dealer is conducting his business in such a manner as to injure the goodwill of the manufacturer.

In conclusion, let me state that my proposal does not fuss with details as to how automobile manufacturers shall conduct their daily business with franchised dealers. The bill merely makes unlawful a practice which 12 States already have outlawed, and which the manufacturers claim they do not engage in, anyway.

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

The bill (S. 3110) to prevent automobile manufacturers from coercing automobile dealers to purchase unwanted merchandise, introduced by Mr. BUTLER (for himself and Mr. COTTON), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF MERCHANT SHIP SALES ACT OF 1946, AS AMENDED

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 9 (c) (2) of the Merchant Ship Sales Act of 1946, as amended. I ask unanimous consent that a statement, prepared by me, explaining the purpose of the bill, be printed in the RECORD.

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

The bill (S. 3113) to amend section 9 (c) (2) of the Merchant Ship Sales Act of 1946, as amended, introduced by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement, presented by Mr. MAGNUSON, is as follows:

The purpose of this bill is to correct what is considered an unintended discrimination against purchasers of war-built vessels prior to March 8, 1946, in that it would eliminate from that date forward the requirement that these purchasers agree that the use factor in charter hire payable by the Government shall not exceed 15 percent per annum of the statutory sales price.

Furthermore, the proposed enactment would eliminate the present limitation upon the liability of the Government, in the event of loss under such a charter, to the statutory sales price depreciated to the date of loss.

Section 9 (c) (2) places an arbitrary ceiling on the charter hire or indemnity required to be paid by the United States for

the future use or taking of a vessel which was the subject of an adjustment under section 9. Congress struck from the ship sales bill a provision which would have placed the same limitation on those purchasers—including foreigners—who acquired similar vessels subsequently to the date of enactment. It is contended that this was a denial of equal treatment to those persons who, by taking the adjustment, were supposed to have been placed in the same position as subsequent purchasers.

It is the belief of the proponents of this measure that American companies did not, by accepting an adjustment, voluntarily waive any of the rights. An apparent misunderstanding exists as to the equitable position of those companies which seek relief through enactment of this bill.

A study of various transactions and correspondence reveals that the companies involved endeavored from the day the ships were purchased to protect their rights. Also, in actual cases they did not proceed until they had received written assurance from the Maritime Administration that their rights would not be impaired or waived thereby. Most important is it to be noted that the acceptance of the adjustment was based upon the compulsive factor that they either had to accept it upon the proffered terms or lose it entirely.

The proposed amending legislation, which was passed in a similar bill by the Senate in the last Congress, is designed to be effective as of a future date and has as its purpose only the future right of the companies to just compensation.

LIMITATION OF SPENDING POWERS OF CONGRESS AND REDUCTION OF NATIONAL DEBT

Mr. CURTIS. Mr. President, I introduce, for appropriate reference, a joint resolution to limit the spending powers of the Congress and to provide for reduction of the national debt. I ask unanimous consent to have printed in the RECORD a statement, prepared by me, with reference to the joint resolution.

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

The joint resolution (S. J. Res. 133) to limit the spending powers of the Congress and to provide for reduction of the national debt, introduced by Mr. CURTIS, was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement, presented by Mr. CURTIS, is as follows:

I offer a proposal for a constitutional amendment to end deficit financing, compel a balanced budget, and provide for the gradual payment of the national debt. This proposal is a revision of similar constitutional amendments that I have introduced in previous Congresses.

This resolution, if passed by the Congress and ratified by the legislatures of three-fourths of the States, would become a part of the Federal Constitution. It would take away from the Congress the right to spend more money than is taken in. It would require the President in his budget message to keep his recommendations for expenditures within the estimate of the receipts of the Government.

While this proposal has some similarity to the constitutional amendment offered by Senators BYRD and BRIDGES, it varies in several particulars. It would grant authority to Congress to levy a special tax which could not be intermingled with money to be expended, but would be used solely for the purpose of retiring the national debt. As an enforcing measure this constitutional amendment would prohibit the adjournment of Congress until provision was made for balancing the budget, just as the Byrd-Bridges amendment would do.

The operation of the amendment could be suspended in time of war or during a grave national emergency upon a vote of three-fourths of all the Members of each House of Congress, and such suspension could only be for a year at a time.

It is my belief that the vast majority of the American people want an end to deficit financing. They want to have the Government on a pay-as-you-go basis and they want to see the bonds owing by the United States Government paid. I think it is sound and right that the people write this principle into their fundamental law of the land. Federal officeholders should be stripped of their power to increase the national debt and vote more and more bonds.

During the last 20 years we have been in the red most of the time with the exception of about 2 years. Conservative and economical Congresses will be elected from time to time who will put the budget in balance, but unless the people write a pay-as-you-go principle into their Constitution, extravagant and wasteful Congresses elected now and then can upset the whole fiscal program and throw us further into debt.

There must be some restraint on spending. The proposed spending for the next fiscal year, which begins on July 1, calls for greater spending than this year. The interest on the national debt will cost us over $7 billion next year. This item of $7 billion for interest is more money than was spent for all purposes of Government in any one year, except during World War I, prior to 1933.

The United States cannot remain a first-class nation and maintain her prestige in the world unless she sets her own financial house in order. We have had unprecedented prosperity in the country for the last 7 or 8 years, yet we have not paid the cost of our own Government each year, but have charged it to our children and our grandchildren and to oncoming generations.

Someday our children will rise and look us straight in the eye and ask, Does Uncle Sam really pay his debts? Will the bonds that the people hold really be paid off or merely refinanced by issuing new bonds?

When the people, speaking through the legislatures of their States, take away from the officeholders in Washington the power to spend money that they do not have, in the absence of a war or grave national emergency, they will find the value of their money increased, the burdens of their Government lessened, and less interference from Washington in their individual lives and in the conduct of the affairs of the local and State governments.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, AS AMENDED—AMENDMENT

Mr. MAGNUSON submitted an amendment, intended to be proposed by him, to the bill (S. 1119) to amend the Civil Aeronautics Act of 1938, as amended, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

AMENDMENT OF NATURAL GAS ACT, AS AMENDED—AMENDMENTS

Mr. PASTORE. Mr. President, I submit amendments, intended to be proposed by me, to the bill (S. 1853) to amend the Natural Gas Act, as amended. I ask unanimous consent that the amendments, together with a statement prepared by me, as to the purpose of the amendments, be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the amendments and statement will be printed in the RECORD.

The amendments are as follows:

On page 6, line 25, after "at", insert the following: "the protection of the interest of the consumer."

On page 10, line 11, after "at", insert the following: "the protection of the interest of the consumer."

The statement, presented by Mr. PASTORE, is as follows:

PROTECTION OF THE INTEREST OF THE CONSUMER

This amendment adds one additional factor to be considered by the Federal Power Commission when it makes its determination as to the reasonable market price under this bill. Sections 3 (b) and 4 of the bill, as now before the Senate, provide that, in determining the reasonable market price, the Commission shall consider, among other things, the following three factors: Whether such price has been competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices.

My amendment will add to these three factors the following additional consideration: The protection of the interest of the consumer.

The proponents of this bill, both in their majority report and in their statements here on the floor of the Senate, have repeated many times that the bill does protect the interest of the consumer, but there is, however, no language to this effect in the bill.

My amendment inserts the protection of the consumer interest in the bill in clear and concise language. My amendment incorporates in the bill the very language of the proponents and gives assurance to all of us that the interest of the consumer will not be ignored. If the proponents are sincere in their statements that they wish to protect the interest of the consumer, then I can see no harm in inserting these few additional words in the bill. My amendment clearly does what all of us here on the floor of the Senate have been saying we hope to do.

I sincerely and honestly hope that the proponents of this bill will accept this amendment.

Mr. PASTORE. I submit additional amendments, intended to be proposed by me to the bill (S. 1853) to amend the Natural Gas Act, as amended. I ask unanimous consent that the amendments, together with a statement prepared by me, as to the purpose of the amendments, be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the amendments and statement will be printed in the RECORD.

The amendments are as follows:

On page 6, line 20, after "contract", insert a comma and the following: "and shall be obligated to pay".

On page 7, line 17, after "act", insert the following: "and shall be obligated to pay."

The statement, presented by Mr. PASTORE, is as follows:

OBLIGATION TO PAY IN SECTIONS 3 (B) AND (C)

This amendment applies the formula used in section 3 (e) of the bill to its companion sections, sections 3 (b) and (c). Under the bill as now before the Senate, the formula

used in applying the "reasonable market price" standard to future contracts is different from the formula used in applying the same standard to existing contracts. The proponents of the bill have failed to show any good reason for having two different formulas in section 3 of the bill.

Under sections 3 (d) and (e) which pertain to escalation clauses under existing contracts, the bill provides that after the Commission has determined the "reasonable market price," a pipeline shall charge as an operating expense and shall be obligated to pay only the reasonable market price. Under sections 3 (b) and (c), which pertain to future contracts, the bill provides that after the Commission has determined "the reasonable market price", the pipeline shall charge as an operating expense only "the reasonable market price", but these two sections relative to future contracts, as the bill now stands, contain no provision relating to the pipeline's "obligation to pay"—such as is contained in section 3 (e) for existing contracts.

Thus, under the bill as it now stands, a pipeline may in the future be compelled to pay a price higher than "the reasonable market price" in order to keep its pipelines filled and yet it may only be allowed to charge as an operating expense the lesser amount, that is, "the reasonable market price". This would compel the pipeline to absorb the difference which would be grossly inequitable to the pipelines and might also be interpreted to be confiscatory of their property. Moreover, to the extent that the pipeline company, acting as a regulated public utility, is unable to recoup its necessary operating expenses, such a result may well be deemed by the courts to be unconstitutional.

The proponents of this bill, both in their majority report and in their statements here on the floor of the Senate, have said that their bill does not allow the pipelines to pay more than the reasonable market price to the producer. But there is, however, no language to this effect for future contracts in the bill.

My amendment inserts in sections 3 (b) and (c), relating to future contracts the very same language which the proponents have included in section 3 (e) relating to existing contracts.

This amendment repeats at two additional places in the bill the very language used by the proponents in section 3 (e) of their bill and gives assurance to all of us that a pipeline will not be obligated to pay any more than "the reasonable market price".

I sincerely and honestly hope that the proponents of this bill will accept this amendment.

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. MARTIN of Pennsylvania:
Study of TVA financing.

DEATH OF GOV. PAUL L. PATTERSON, OF OREGON

Mr. NEUBERGER. Mr. President, it becomes my sad duty to inform the Senate of the death of Gov. Paul L. Patterson in Portland, Oreg., on the night of January 31, 1956.

Governor Patterson, who was 55, died suddenly of a heart attack. His passing deprives our State and Nation—and of course his devoted family—of an outstanding citizen.

Both Mrs. Neuberger and I had had the privilege of serving with Paul Patterson in the Oregon State Legislature, where he and I were fellow State Senators. Although we did not always agree with him politically, he was the kind of man one inevitably respected and liked personally. He had warm human qualities of friendliness and personal affection. One morning he and I debated strenuously over the question of State milk control. Yet he suggested that we lunch together in the Oregon Senate lounge, where he told me of his experiences as a student on the University of Oregon campus. Paul Patterson was that sort of person. Nobody could dislike him on a personal basis. He disarmed you. He had a love of his fellow man. He was never mean or ugly or personal in political campaigns. He always stood on a high plane. His Democratic opponent in 1954, State Senator Joseph K. Carson, Jr., of Portland, told me that it was a pleasure to campaign against Governor Patterson because one knew that unfair charges and low blows never would be forthcoming from Governor Patterson.

When our telephone rang at 3:10 a. m. this morning, Washington time, to tell us of Governor Patterson's death, Mrs. Neuberger was in tears. She could not believe he was gone. After I came to Washington, she continued to serve in the legislature under Governor Patterson's tenure as chief executive of Oregon; and she told me many times how he often called her to his office for friendly and informative discussions of State matters. She particularly considers our State bereaved and unfortunate to have lost so illustrious a son.

Had Governor Patterson survived, he would have been a candidate for this body, against my senior colleague [Mr. MORSE]. Indeed, the Governor had so announced himself on January 29, only 2 days before his untimely death. No one can ever know whether the tensions and anxieties of that decision hastened the tragedy which occurred, nor will anyone ever know how would have resulted the political contest between two such titans as Paul L. Patterson and WAYNE L. MORSE. But I do know that, so far as both principals were concerned, it would have been a clean and fair contest, with the highest ideals of American Government and political campaigning invariably observed.

Mr. President, this is all I have to say at this time about the death of a fine citizen and a very splendid gentleman. To Governor Patterson's gracious wife, Georgia, who is a notable individual in her own right, as a member of Oregon's Board of Education, both Mrs. Neuberger and I extend our heartfelt sympathy in this moment of grief and sorrow. We pray for Mrs. Patterson and the others of the Patterson family, so that they may have the strength and courage to endure this ordeal which has struck them so swiftly, terribly, and inexorably.

Thank you, Mr. President, for the privilege of taking the time of the Senate, briefly, to inform the Members of the loss which our State and the Patterson family have suffered.

Mr. MORSE. Mr. President, the entire State of Oregon is in deep mourning. Last night the Governor of the State died of a sudden heart attack. He was one of the finest men in our State, a man of high ideals, a man with a notable record of public service.

Although Governor Patterson and I were of different political alinements, I have always held a very high respect for his idealism and for his devotion to the public service as he saw the issues which came before him.

He was a graduate of the University of Oregon School of Law, at which school I was professor and dean for 15 years. He graduated 3 years before I became a teacher at that institution.

He received his bachelor of arts degree from the University of Oregon in 1923; his doctor of laws degree in 1926. He was a member of Phi Delta Phi legal fraternity.

For a period of time he served as deputy district attorney of Washington County, Oreg., ending that service in 1932.

He was city attorney for the Oregon communities of Hillsboro, Beaverton, Sherwood, and Tualatin.

Paul Patterson was State senator for a period of years, from Washington County in our State. He was elected for the terms 1945, 1947, 1949, 1951, 1953, and 1955.

He was elected president of the State Senate of Oregon in 1951, serving in that capacity from 1951 to 1952.

He was a Rotarian, and a past State commander of the American Legion. Governor Patterson was a member of the Congregational Church.

He became Governor by succession, on the appointment of Governor McKay as Secretary of the Interior.

He was elected to the position of Governor in the election of 1954.

His death comes as a great shock to the people of Oregon. We have lost a leader. Mrs. Morse and I extend to Mrs. Patterson and the other members of the Governor's family our deepest sympathy and our prayers that in this time of great sorrow they may receive strength from divine guidance.

Mr. MARTIN of Pennsylvania. Mr. President, we all join the two distinguished Senators from Oregon in their great regret at the passing of a distinguished American.

COMMITTEE REPORT ON THE MERCHANT MARINE ACADEMIES

Mr. LEHMAN. Mr. President, I have noted with gratification the report issued by the Magnuson-Payne subcommittee on the Merchant Marine Academies. The report reflects the point of view I have always urged and advocated, namely, that there is need for both the State schools and the Federal Academy at Kings Point, and that all must be supported to the full extent of their need. To this end, I shall be glad to work with the Senator from Washington [Mr. MAGNUSON] and the Senator from Maine [Mr. PAYNE].

I am pleased, indeed, to learn that the Senator from Maine will support the Kings Point Academy permanency bill,

along with appropriate legislation for the State academies, and that there will not be a move to delay passage of the former bill in order to secure support for passage of the latter.

In the early part of the 1st session of the 84th Congress, I introduced a bill making permanent the Merchant Marine Academy. A similar bill, H. R. 6043, was introduced in the House of Representatives, and was passed by the House. I am very glad, indeed, that the bill passed by the House is substantially identical to the bill I introduced; and I am very happy to have an opportunity to support the House bill.

Mr. President, the provisions of the report appear to represent a happy ending to a fight we have been waging for many years. The Senator from Washington and the Senator from Maine are to be congratulated. The Kings Point Academy is to be congratulated. The four State schools, including, of course, the fine State school at Fort Schuyler—in the expansion of which I had a leading part during the years when I was Governor of New York, also deserve to be congratulated. All of them now can work together for the promotion of a training program for more and better merchant-marine officers for the American merchant marine.

Mr. President, the Merchant Marine Academy, which I hope will now obtain permanent status, and the State schools are fine institutions. They turn out a splendid set of men who are greatly needed for the maintenance and expansion of our merchant marine.

I am very happy, indeed, to learn of the favorable report which has been submitted by the Senator from Maine, and I congratulate him again.

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

Mr. LEHMAN. I am very glad to yield.

Mr. PAYNE. First, Mr. President, I wish to express my thanks and also the thanks of the chairman of the Committee on Interstate and Foreign Commerce, the distinguished Senator from Washington [Mr. MAGNUSON], for the kind remarks which have been made on the floor of the Senate by the Senator from New York.

Let me merely say that at no time was it even my intention or my desire in any way to block or try to prevent having Kings Point Academy made a permanent institution, as such.

But, very frankly, it was my feeling, and I know it was shared somewhat by the distinguished Senator from New York, that there was not on the record a complete history and background relating to maritime training programs, as constituted under our Government, which would stand the test, and that a tremendous amount of confusion had been existing. One year, the academy at Kings Point would be closed; another year, the four State academies would be put out of business—in so far as the Federal Government was concerned.

It was only because of that feeling—and it was shared by all members of the Committee on Interstate and Foreign Commerce, and likewise unanimously by this body—that, we believed that, once and for all, a clear and comprehensive study should be undertaken, so as finally to determine, in the interests of our maritime training efforts, whether there was need to have all the present facilities operated so as to provide the needed education and training to meet the great requirements the maritime industry has for trained personnel. It was only because of that fact that the study was made.

As the Senator from New York has so ably stated, the study has pointed up definitely, once and for all, the complete concurrence of all concerned in the view that there is adequate need for all these facilities; and I have given such notice today, in the hope that the measure, now on the calendar, regarding the permanency of the Kings Point Academy, may be considered and acted upon without further delay. It is my sincere hope that the bill will be passed without any objection at all on the part of any Member of the Senate.

Mr. LEHMAN. Mr. President, I believe that the study which has been made has been most useful to the Members of Congress, in connection with the consideration of legislative measures and appropriations for these several academies.

I had the pleasure of attending and testifying at the hearings which were presided over by the distinguished Senator from Maine [Mr. PAYNE], both in regard to the New York State school at Fort Schuyler, N. Y., and in regard to the Merchant Marine Academy at Kings Point, N. Y. I take great pleasure in testifying here to the fact that the hearings were conducted with fine courtesy and complete fairness by my distinguished colleague, the Senator from Maine.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded, and the Chair lays before the Senate the unfinished business.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. MARTIN of Pennsylvania. Mr. President, I wish to make a brief statement in support of S. 1853, the so-called Harris-Fulbright bill.

I come from the great industrial and heavily populated area which includes southwestern Pennsylvania, eastern Ohio, northern West Virginia, and the city of Pittsburgh. This area consumes more natural gas than any other area in the United States.

I oppose Federal regulation of the production of natural gas for two principal reasons.

First, I am interested in maintaining an adequate supply of gas at the lowest possible cost to the consumer.

Second, I want to retain unhampered the free, competitive, enterprise system which has made the United States the greatest Nation of the world, with the highest living standards in all history.

If this bill is defeated and if the sale of natural gas by the producers is continued under Federal regulation, I feel that the price to the consumer will be greatly increased, and what is worse, we may not have an adequate supply.

In my own lifetime I have gone through many periods when our gas supply was inadequate to meet industrial and domestic needs. It may be that we have expanded the use of natural gas too rapidly. We know that the demand is increasing faster than the pipeline capacity. In the past 10 years the consumption of gas has doubled, while the increase in available gas reserves has been only one-third.

Mr. President, it is well known that the search for oil and gas is the world's outstanding example of individual initiative and free enterprise. It is a highly competitive business. It is a field in which there is no opportunity for monopoly. It is wide open for anyone who has the courage to take the great risks involved in this extremely hazardous type of undertaking. Statistics show us that on the average it is necessary to drill 9 wells in order to get 1 profitable producer.

Rugged American individualism is unquestionably the first requisite of those who would go forth in search of natural resources which are hidden below the surface of the earth.

The rewards that come with success in this hazardous enterprise are governed by active competition, in which 8,000 producers participate. This competition at the producing level makes the gas available. It is the strongest safeguard for the protection of the consumer.

The opponents of the Harris-Fulbright bill seem to fear that the producers will increase the price of gas if their business is exempted from Federal regulation.

But the record reveals that from 1928 to 1954, before controls were imposed, the cost of natural gas to the homeowner rose only 7 percent. In the same 16-year period the general cost of living rose 90 percent.

The record also discloses that after the 1954 decision of the Supreme Court the number of gas-well completions declined nearly 16 percent, although those drilled for oil increased 9 percent in the same year.

It seems to me that these facts and figures show conclusively that Federal regulation will result in decreased exploration activities, which will mean an eventual shortage of gas and higher prices to the consumer.

Another important part of the record reveals that the producer's average share is only 10 percent of the consumer's bill. The other 90 percent lies in the cost of transmission and distribution.

Federal regulation at the wellhead would, to all intents and purposes, mean Federal control over exploration and discovery. I do not subscribe to the philosophy that the Federal Government can do a better job of regulating local producing activities than can our long-established system of competitive enterprise.

This bill encourages the search for gas and, at the same time, assures the consumer of a reasonable price, so far as it is affected by the return to the producer.

Where monopoly exists or where there is danger of monopoly, I would favor

regulation for the protection of the public. But, Mr. President, I contend that the justifications usually and properly advanced for the public-utility type of regulation are not present in this instance.

If this bill is defeated, it will be the first time in the history of the United States that the Congress has approved price regulation of a natural commodity at the producer level.

If the Senate rejects this bill, it can be argued that we should next regulate the price of oil at the well, the price of coal at the mine, the price of cement at the quarry, and every other basic commodity upon which our Nation depends. If these commodities should be brought under control, would it not be logical to extend Federal controls over other segments of our national economy? Would we not then be inevitably headed for a planned and controlled economy to replace the American system of competitive enterprise?

Let us stop and do some thinking before we adopt such a drastic plan in the United States. Let us stop and consider the disastrous and tragic conditions which have resulted in every country of the world where free competitive enterprise has been destroyed by restrictive governmental control and regimentation.

The concept of American free enterprise includes the basic principle of supply and demand. It is supported by freedom of the individual to take risks and to profit by his ingenuity and resourcefulness. To hamper such freedom of movement in the development of natural resources is to place a restraining hand upon future productivity and future prosperity.

In our complex economy we are naturally concerned that all levels, producing, processing, and distribution, are given a fair opportunity to profit and to benefit.

In reading the majority report on S. 1853 and the minority and individual views, I am impressed that the principle concern on both sides is that the consumer be protected.

Senate bill 1853 has been amended to provide checks and limitations, almost to the extend, it seems to me, of counteracting the original intent of the bill. I believe the committee has leaned over backward to include and define provisions tc prevent manipulation of prices, and to subject both existing and future contracts between producer and distributor to Federal Power Commission scrutiny.

Mr. President, I do not believe that the passage of S. 1853, with the protective provisions it contains, will result in any damage to the consumer.

I do believe that S. 1853 clarifies the basic principle upon which our national development depends, that Federal control of the production of natural resources is undesirable and the less we have of it, the stronger and more productive our economy will be.

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

The PRESIDENT pro tempore. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. 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.

ACTIVITIES OF THE KREMLIN—THE INCREASING THREAT OF BALLISTIC MISSILES

Mr. JACKSON. Mr. President, 6 months have passed since Britain, France, the Soviet Union, and our own Nation came together in the summit Conference at Geneva.

It is now clear that the Geneva spirit was never taken seriously by the Soviet rulers.

Khrushchev himself publicly ridiculed those who thought the summit Conference meant the end of the cold war. Khrushchev said last September:

> If anyone believes that our smiles involve abandonment of the teachings of Marx, Engels, and Lenin, he deceives himself poorly. Those who wait for that must wait until a shrimp learns to whistle.

It is now apparent that the honeyed words spoken at Geneva by Khrushchev and Bulganin were merely tactical maneuvers, designed to lull the free world into complacency while the Kremlin continued its military buildup and developed a wideswinging political and economic offensive.

Only this week, in Bulganin's offer of a bilateral friendship treaty, we have seen a classic example of the Soviet technique. Obviously this offer was designed to drive a wedge into the Western Alliance on the eve of the Anglo-American conversations. We properly turned the offer down; and now the Kremlin exploits the episode for all its propaganda worth.

On several occasions last summer, I questioned whether the optimism which surrounded the summit Conference was justified. The optimism was natural enough and I was not happy about issuing statements of caution. I hoped I was wrong.

I take it, however, that we will agree on where America now stands. The flame of the Geneva spirit, which seemingly burned so brightly last August, has dwindled, flickered, and sputtered. Now the flame is out. Soviet Deputy Premier Kaganovich openly boasted in November:

> If the 19th century was a century of capitalism, the 20th century is a century of the triumph of socialism and communism.

Far from relaxing its armaments buildup since last summer, Moscow has been intensifying its military preparations. While Khrushchev and Bulganin talked of the peaceful atom, Soviet scientists and engineers worked around the clock to achieve the Russian H-bomb explosion of last November. While Khrushchev and Bulganin spoke soothing words in India, other Kremlin agents roamed the Middle East, offering lures, kindling strife, and stirring hostility against the West.

The basic aim of the Kremlin remains unchanged—a Moscow-dominated world. The Soviet rulers stand ready and able to employ every last weapon in the Communist arsenal of conquest. These weapons are well known to you, Mr. President—diplomatic initiative, the smile, psychological pressure, economic warfare, political infiltration, subversion, and military conquest on the installment plan through satellite forces. Beyond this, if the gains appear worth the costs, the Soviets would not even shrink from an all-out nuclear attack against our American homeland.

Let us pay the devil his due: The overlords of the Communist world are not stupid men; they are skillful practitioners of the art of conquest. They have read their Machiavelli and their Clausewitz, just as they have read Mein Kampf. Moreover, the Soviets have profited from the mistakes of aggressors in ages past. Unlike Hitler, they might wait for years, or even decades, to achieve their ends. Unlike the rulers of Japan in 1941, they may refrain from acting rashly.

The Kremlin knows that if the opponent can be relaxed, while the Communists are hard at work, time will run in their favor. As Khrushchev said in India last November:

> We can wait. The wind is now blowing in our faces. We can wait for better weather.

The ingredients of military power are well known to Moscow. The Kremlin knows that the bases of military power of nations and alliance systems are four in number—land, people, natural resources, and industrial capacity. It knows that the Communist world now surpasses our own Nation in at least 2 of these 4 factors, and maybe in 3.

Land: The Communist land mass is six times as large as the United States.

People: There are 800 million people in the Red empire, and there are only 170 million Americans. The Soviet Union has the largest land army in the world. Red China has the second largest army. The American Army is third.

Natural resources: The mineral wealth of the Communist world is vast and largely unexploited. The raw materials within the Communist empire are probably more diversified and more abundant than are our own.

Industrial capacity: America now outstrips the Communist world in one ingredient of military power—and one ingredient only—namely, our superior industrial might. This has been our trump card in the struggle with the Soviets. Up to now, at least, our industrial lead has canceled out the Communist advantage in land and people. The symbol of this lead has been our stockpile of nuclear weapons and our long-range Strategic Air Force.

Up until now, the Soviets have been on notice that all-out Red aggression would be answered by our superior air-atomic strength.

Furthermore, the free world-alliance system has combined with American industrial supremacy to help offset Communist preponderance in land and people. The assets of the free world, when thus pooled, have been superior to those of the Communist empire.

In addition, our network of advanced overseas bases on allied territory has

multiplied the effectiveness of our air-atomic power. Our nuclear strength cannot be measured merely by the number of bombs in our atomic stockpile. It is the product of the quantity of bombs times the destructive force of each bomb times our ability to deliver them against enemy targets. Without our overseas bases, American atomic might would be reduced to a fraction of its present strength.

None of this comes as news to the Soviets. The Kremlin knows, as well as we know, what Moscow must do to achieve preponderance in national military power. The Kremlin knows, as well as we know, how the balance of world power could be tipped decisively against the United States. The Kremlin knows that our present advantage lies in our industrial supremacy and in the free-world-alliance system. The Kremlin knows that if the Soviets can overtake our industrial lead and at the same time neutralize our allies, the Communist world will thereby achieve superiority in all four bases of military strength—land, people, raw materials, and industry.

Americans know we have the most productive economy of all history. Many of us think it inconceivable that the Soviets can ever overtake, let alone surpass us, in industry and technology. But before we become complacent, let us examine the record.

Year after year, the Soviets have narrowed the technological gap between the Russian economy and our own. Year after year, they have challenged us more formidably in our one area of superior strength—our ability to design advanced weapon-systems sooner, and to put them into production more quickly than any other nation in the world.

Go back with me, Mr. President, to early 1949—a short 7 years ago. Then, as now, our conventional Armed Forces were vastly outnumbered by the Communist legions. But, in contrast, our air-atomic power then stood unchallenged. We alone possessed the only true long-range bomber then existing—the B-36. We alone had flight-tested the world's first jet strategic bomber—the B-47. And above all, we alone possessed atomic weapons. Responsible officials said that it would take 10 or 20 years for the Soviets to manufacture an atomic bomb. They informed us also that Moscow would not possess jet bombers for many years to come.

But what happened in fact? The Soviets achieved their first atomic bomb in the summer of 1949—years before the expected date. They tested their first hydrogen bomb in the summer of 1953—less than 9 months after the first of our full-scale hydrogen tests.

The development of Soviet aircraft saw the same story repeated. Our experts said the Soviets could not produce jet bombers until 1956 or 1958. In fact, the Soviets flew jet planes comparable to our B-47, and our B-52, not in 1956 or 1958, but in 1954. Moreover, these Russian planes had jet engines more advanced than our own. Some prominent officials argued that these Russian planes were only hand-tooled prototypes, useless for combat and years away from mass production.

Again, what in fact happened? Last spring, the Soviets flew both medium and long-range jet bombers in operational numbers. These were no laboratory models, these were production-line planes ready for combat units. Furthermore, they flew large numbers of a new fighter plane better than any we had in operational use.

Even more ominous, the Soviets have mass-produced new aircraft faster than we have. Our work on the B-52 bomber began in 1948. It was flight-tested in 1952, and actual production was started in the spring of 1954. The comparable Soviet plane, the Bison, was apparently designed in 1950, flight-tested 3 years later, and produced in quantity in 1954. In short, the Soviets moved 2 years faster than we did in mass-producing long-range jet bombers.

Seven years ago, we had a monopoly of both atomic bombs and planes for delivering them against distant targets. Today, both monopolies are gone. Furthermore, today we cannot even be confident that we are ahead of Moscow in long-range air power.

Up to now we have had one reassurance. So far we have managed to win every race of discovery for crucial new weapons systems. To be sure, we have won these races by smaller and smaller margins, but we have won them.

However, Mr. President, I believe that the Soviet Union may win the next critical race for discovery.

I believe that the Soviets may win the race for the intermediate-range 1,500 mile ballistic missile.

As you know, Mr. President, the intercontinental ballistic missile is the closest thing to an "ultimate weapon" that has ever been projected. Conventional guided missiles, such as our own Regulus or Matador, are merely unmanned versions of jet aircraft. They travel at relatively low attitudes and relatively slow speeds. Defense against such vehicles is relatively easy. But ballistic missiles are ominously different. They travel high in the ionosphere at 10 or 20 times the speed of sound. An intercontinental ballistic missile launched from Russian bases against the cities and military installations of our American heartland would arrive in 20 or 30 minutes. An intermediate range ballistic missile could reach the capitals of our European allies in 10 or 15 minutes. Moreover, an effective defense against ballistic missiles is nowhere in sight.

The ballistic missile is the H-bomb of delivery vehicles.

In my judgment there is the danger that the Soviets may fire a 1,500-mile ballistic missile before the end of this year—1956.

Some people may minimize the importance of such an achievement. They may say that the Soviets, operating from their present bases, could not reach the American heartland with a 1,500-mile missile. They may contend that ballistic missiles will endanger this country only when the Kremlin achieves a weapon of true intercontinental range.

This is not the case. The existence of a 1,500-mile Soviet ballistic missile would cancel out our one vital advantage over Russian air-atomic power—our system of advanced overseas airbases. Virtually all of our overseas SAC bases are within easy striking distance of a 1,500-mile missile. Such a missile could level these bases in a matter of minutes.

Without these bases, our Strategic Air Force would be a shadow of its former self. Without these bases, the effectiveness of the B-47 bomber—the present backbone of our striking force—would be drastically reduced. We would be forced into primary reliance upon the now obsolete B-36, and the long-range jet B-52, which only now are beginning to trickle off our production lines.

A Soviet 1,500-mile missile could turn our strategic thinking upside down. It might well compel us to write off our overseas bases as virtually useless. A Russian 1,500-mile ballistic missile could force American airpower to retreat 5,000 miles from the Soviet Union.

We need not assume that Moscow would actually use a 1,500-mile missile to start an atomic war. The mere existence of such a weapon in the hands of the Kremlin, at a time when we did not have it ourselves, could radically upset the world balance of power.

Mr. President, we and our free world partners may soon face the threat of ballistic blackmail.

I invite you to put yourself in the place of a governmental leader of France or West Germany or England or Pakistan or Japan. Any of these nations could be devastated by a 1,500-mile missile launched from Communist-controlled bases. Imagine that Soviet Defense Minister Zhukov has just invited the military attachés of the free world to meet at a missile site near Moscow. Imagine Marshall Zhukov then explaining that he is about to press a button which will fire the world's first 1,500-mile ballistic missile. Marshall Zhukov might say that this demonstration missile carried only a TNT warhead. But he would undoubtedly add that a hydrogen warhead could be substituted. Standing in a concrete blockhouse for protection, the military attachés would see the missile launched. Some 1,500 miles away—perhaps in the wastes of Soviet Central Asia—another group of free world observers would be assembled. Mere minutes later they would witness the crashing explosion of the missile at the end of its journey.

Picture what might happen next. On the wall of the concrete blockhouse would be a huge map, outlining in vivid red the range of the Soviet missile. This range would embrace all of western Europe, all of north Africa, and the Middle East, most of South and Southeast Asia, the Philippines, Formosa, Okinawa, Korea, and Japan.

The demonstration might end amidst assurances of Moscow's peaceful intentions and many Soviet smiles. A few days later, Premier Bulganin might invite the foreign ministers of the NATO powers to a conference in Moscow. While proposing no formal agenda, Bulganin might indicate that the Soviets would advocate dissolving NATO and establishing a new type of defense com-

munity. Bulganin would be thinking of a defense arrangement which would not interfere with the Soviet objective—world domination.

Caught in this bind, our most redoubtable supporters might falter. It is well-nigh certain that crucial allies would be forced into neutralism, or even into tacit cooperation with Moscow.

We do not know exactly when the Russians will get the ballistic missile, but there is grave danger that they will get it before we do. We have consistently underestimated the Soviets. We underestimated them on the A-bomb; we underestimated them on the H-bomb; we underestimated them on fighter aircraft; we underestimated them on jet bombers.

I believe we are now underestimating the Kremlin on ballistic missiles.

Soviet victory in this race for discovery would be shattering to the morale of our allies, and to our own selfconfidence. For the first time, Moscow would have beaten us in a crucial scientific-industrial race. No longer would America be acknowledged as the unquestioned industrial and technical colossus of the world. Our trump card would have passed to the Kremlin, and the reverberating effects on our relationships abroad would be incalculable.

Mr. President, you will not mistake the meaning of my remarks. I do not maintain for an instant that our own intermediate range ballistic missile program should take priority over our effort to achieve a true intercontinental missile. In fact, I maintain that while the subject of the intermediate range ballistic missile should be earnestly pursued, this effort must not proceed at the cost of jeopardizing progress toward the intercontinental weapon.

Neither do I maintain that superiority in the ballistic missile field will assure our national survival. In fact, I believe the very opposite. Moscow's economic and political warfare also can be deadly. Over the long run, Communist nibbling tactics and conquest on the installment plan could be as effective as a surprise nuclear assault. During the coming weeks I hope to take the floor and discuss certain aspects of these concurrent forms of Soviet aggression.

Yet American superiority in advanced weapon systems is the minimum prerequisite of peace. Without such superiority, all our other programs for staying Soviet power will prove in vain.

In recent months our own ballistic-missile program has been accelerated. When the history of our program is some day publicly revealed, the American people will learn that the Joint Committee on Atomic Energy played a major role in accelerating it—in the form of urgent representations and recommendations to the executive branch of the Government.

The history of the race for the ballistic missile dramatizes the need for a basic change in our defense philosophy. Like so many other aspects of our defense program, the ballistic-missile program has been plagued in the past by the complacent idea that we can always increase our efforts if war comes. This archaic idea should be buried once and for all. In an all-out atomic-hydrogen war the sense of urgency certainly would be with us, but the time and the production facilities would not. In that sort of war, our industrial might would be consigned to a nuclear graveyard.

In the event an all-out nuclear war were forced upon us, we would need to have in being, at the start, the weapons and delivery systems essential to ultimate survival.

I am not suggesting that all our weapons programs be placed on a wartime footing. Our defense philosophy must be changed with respect to those projects so crucial in themselves that failure to be first in their completion would cause a tragic shift in the military balance of the free and Communist worlds.

Such an overturn will surely follow a Soviet victory in the current race for the intercontinental ballistic missile. The military balance is not likely to change overnight if the free world has a few less jet aircraft than the Kremlin. Nor will that balance shift abruptly if Moscow has a few more fighter aircraft than we do. But the balance will shift if Moscow triumphs in the race for the ballistic missile.

The intercontinental ballistic missile is a clear example of the type of program which demands the new defense philosophy.

That philosophy is simply this: all-out work on critical projects today to avoid all-out war tomorrow.

Mr. President, the crucial race for ballistic missiles deserves as vigorous an effort as that which we put into our wartime atomic-energy program. This means a 3-shift operation, 7 days a week. Despite recent progress, we have yet to achieve this momentum.

Today our missile program does not have a single, overall, full-time civilian administrator—and it needs one badly. Today there are distracting interservice rivalries. We do not have an overall, full-time, high-level administrator, even though we know that the success of our wartime-atomic program was due largely to the fact that one man, Gen. Leslie Groves, was given full and complete authority.

Likewise, we know that the success of our naval atomic propulsion program has been due to the fact that one man, Adm. George Rickover, has been given singular authority.

Mr. President, I most earnestly propose:

First. The ballistic-missile project should now proceed with the maximum effort of which this Nation is capable, supported by the kind of urgency that heretofore Americans have reserved for wartime conditions.

Second. To implement this objective the ballistic-missile program should be placed under a full-time civilian administrator, reporting directly to the Secretary of Defense and to the President.

Obviously, I have been painting a dark picture of our current standing in ballistic-missile race. In my judgment, this is an accurate picture. I have presented what I believe to be the factual balance sheet.

But because the outlook is ominous, it does not follow that there is nothing we can do about it. I am confident that if the American people had the necessary facts—if the true peril of our position could be brought home to them—they would support the full marshaling of our resources behind the ballistic missile project.

All the resources of the Soviet Union and its satellites are now directed toward the objective of seizing our trump card of scientific and industrial supremacy, as symbolized in the race for the ballistic missile.

Mr. President, we need not give a halfway answer to this all-out Soviet challenge. We need not give a partisan answer to a threat which imperils us all. We face a nationwide peril, which must must be met by a concentrated nationwide effort, rooted in our determination that America and its free institutions shall survive.

Mr. MANSFIELD and Mr. SALTONSTALL addressed the Chair.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Washington yield, and if so, to whom?

Mr. JACKSON. I yield first to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, the Senator from Washington has made a thoughtful and constructive statement on a most important subject. As he will agree, we cannot discuss in detail our progress in developing intercontinental missiles, as that is a security matter.

I am hopeful, from testimony I have heard, that we are making progress. All agree that we must progress as fast as we practically can. Whether that will better be done—as the Senator from Washington has suggested—under one administrator whose duty would be confined to this one purpose, is a question which must be carefully considered. Whether this research is now being duplicated by the various services, I most respectfully doubt.

But I agree that we must do all we can to stimulate this research and to bring it to the point where such weapons can be successfully produced.

I am glad the Senator from Washington has discussed this question so moderately and thoughtfully.

Mr. JACKSON. Mr. President, I appreciate the comments of the Senator from Massachusetts.

I have mentioned the need for a full-time administrator. I think the important thing is to have one individual who will dedicate all his time, all his energy, and all his effort to this task.

I wish to say that the Air Force now has such an individual in the military end of the work, namely, General Schriever. He is a wonderful man, and is doing an excellent job.

The Air Force has a very capable Assistant Secretary, Mr. Gardner, who is spending a considerable amount of time on this work. He has already made an outstanding contribution to the missile effort. Unfortunately, he cannot spend all of his time on it.

I merely suggest that in the civilian branch there be designated someone who can devote all his time to this assignment.

Let me say that I have made my comments only in a desire to be constructive.

Mr. SALTONSTALL. I think the Senator's comments and remarks have been very constructive.

Mr. JACKSON. I thank the Senator from Massachusetts.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield to me?

Mr. JACKSON. I yield.

Mr. MANSFIELD. I wish to commend the distinguished Senator from Washington for making a very, very constructive speech and for bringing home to the American people the danger confronting all of us at the present time. I think the Senator from Washington is also to be commended for speaking out, as he has in this instance, and as he has done in the past. I believe that his recommendations should be given very serious consideration.

If I may, I should like to ask several questions of the Senator from Washington. In the course of his speech, he brought up the subject of resources. Is it not true that at this time the United States is a "have not" nation, insofar as strategic mineral reserves are concerned?

Mr. JACKSON. That is correct. It is my understanding that the United States is in short supply in the case of approximately 31 or perhaps 33 critical items. It is necessary for us to stockpile these items, for we obtain them from other countries.

Mr. MANSFIELD. I wonder whether we are really stockpiling these items, which are in a critically short supply, insofar as we are concerned. We have had on the statute books for a number of years a National Stockpile Act; it has been on the statute books for almost a decade, as I recall; but I am quite sure in my own mind that there are many strategic minerals which we should have in a stockpile, but which will not be found there.

If I may ask the Senator from Washington another question, it is this: What value is there in piling up increasingly larger and larger stockpiles of atomic and hydrogen bombs?

Mr. JACKSON. I believe that to do so is very misleading. In other words, as I indicated in my opening remarks, the atomic strength of a country is not measured in terms of the number of bombs alone. Instead, it is measured in the number of bombs, times the strength or explosive force of each bomb, times deliverability. All three factors must exist. There must be a preponderance over the enemy in all three factors, which cannot be segregated or separated.

As I see it, the terrible race that now is going on with the Soviet Union no longer relates to atomic and hydrogen weapons, as such. The area of decision is now centered on the delivery systems. Unless we have a lead over the Soviets in our ability to deliver atomic-hydrogen weapons, we cannot maintain an effective retaliatory force which we can hope will act as a deterrent to an all-out atomic-hydrogen war.

Mr. MANSFIELD. In other words, there is a limit to the effectiveness of atomic and hydrogen bombs in a strategic stockpile.

Mr. JACKSON. Exactly.

Let us suppose—and this is purely hypothetical, and will not disclose any classified information—that the Soviets have only 10 atomic bombs, and that we have 100 atomic bombs. However, let us suppose that the Soviets have a delivery system which will make it possible for them to deliver all 10 of their bombs, whereas our delivery system is such that we can deliver only 5 of the 100 bombs we have. Obviously, the Soviets would have air atomic superiority, in that hypothetical situation.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield for two more questions?

Mr. JACKSON. I am very happy to yield.

Mr. MANSFIELD. It is my understanding that the Soviet Union has developed an 800-mile rocket. I obtained my information from the public press, which indicates that the Soviet Union is making great progress, not only in that particular intermediate type of rocket, but, evidently, also as well in the 1,500-mile type. Therefore, I believe it is all the more significant that the Senator from Washington has made the speech he has made today, and that this question be brought home to the American people.

It would appear to me that one of the reasons why the Soviet Union is ahead of the United States is the fact that the Soviets are educating and training more and more scientists and engineers each year, whereas in the United States the curve shows a decline or downward trend.

In the United States, what are we trying to do to rectify that inequality between the two countries, insofar as the training and education of scientists and engineers are concerned?

Mr. JACKSON. It is my understanding that we offer various inducements in the form of scholarships. The National Science Foundation makes funds available for scholarship purposes. I believe it would be helpful, indeed, if the Congress, through an appropriate committee would call together the best minds in this field, in order to try to work out a solution.

Mr. Allen Dulles, the very capable head of the Central Intelligence Agency, in one of his rare public speeches, last summer stated that in the decade from 1950 to 1960, the Soviet Union will educate and train approximately—as I recall the figures—1,200,000 scientists in various categories, whereas in the same period from 1950 to 1960 the United States will educate and train only 900,000 scientists and engineers. I think those figures place in critical perspective the threat facing the free world.

Mr. STENNIS. Mr. President, will the Senator from Washington yield to me for a question?

Mr. JACKSON. I am happy to yield to my distinguished friend from Mississippi.

Mr. STENNIS. Mr. President, I wish to say to the Senator from Washington that the speech he has made this morning shows a very thorough knowledge of the subject matter. I know he has acquired a very fine and a very valuable knowledge of missiles and related matters and problems, and of the resources necessary for the carrying on of an effective program. That knowledge on his part already has proved of inestimable value to the members of the Armed Services Committee; and I am sure that is also true in the case of the Joint Committee on Atomic Energy, of which the Senator from Washington is a member.

I desire to congratulate him, first, on his very fine contribution by means of the very statesmanlike presentation he is making this morning. I also desire to congratulate him for the same statesmanlike qualities he has displayed in the discussions behind closed doors, where he has shown the same attitude that he demonstrates in the Chamber today. I pay a great deal of attention to what he says, both on this subject and on others.

I can join him, at least in part, in his recommendation for an overall head or administrator of this program. We receive a great many requests for the appropriation of large sums of money. We are not sufficiently informed as to whether or not there is duplication among the services. We are not sufficiently informed as to the duplication of money and the duplication of effort, or the use of scientific facilities. Those things have not been made clear to the committee as yet. For that reason I think it is very timely that the Senator has brought these matters out, and has emphasized the urgent need for rushing the program, as an overwhelming consideration.

I believe this subject will attract the attention of other Members of Congress, and of the people of the United States. I wish to encourage the Senator to proceed with his efforts. I believe he will gain support as he goes along. I think too, much time has already been lost on the general program. I commend the Senator, and I wish to help him in every way I can.

Mr. JACKSON. I appreciate my friend's very kind comments. It is a real privilege to serve with him on the Subcommittee on Military Construction of the Committee on Armed Services of which he is chairman. I am proud to serve under such a fine chairman.

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

Mr. JACKSON. I am happy to yield to my distinguished friend from Missouri, who knows more about airpower than any other Member of Congress. I feel a little humble in approaching this subject when we have in the Senate a distinguished former Secretary of the Air Force. If I am not mistaken, he was the first Secretary of the Air Force.

Mr. SYMINGTON. I thank my distinguished colleague for those kind but undeserved remarks. Let me add my congratulations for his magnificent speech. I am impressed by the care he has devoted to the subject. As chairman of the Military Application Subcommittee of the Joint Committee on Atomic Energy, he knows what he is talking about.

Does the Senator believe the development of an atomic-powered airplane is important?

Mr. JACKSON. It is very important, indeed.

Mr. SYMINGTON. Is it one of the most vital developments now challenging us?

Mr. JACKSON. There can be no question about that.

Mr. SYMINGTON. I read into the RECORD at this point testimony given by the Secretary of Defense before a subcommittee of the Senate Committee on Appropriations, in hearings which lasted from May 19 to June 18, 1953.

Secretary Wilson gave a definition of "pure research" as:

> An area where, if it was successful, it could never possibly be of any use to the people that put up the money for it. That makes it pure. What we are trying to do is to spend our money where it really will help the Air Force, and so we will have new, better planes as the years go by.

Later Secretary Wilson said:

> If we want to go ahead and have pure research, let us let somebody subsidize it. Let us not put the burden of it on the Defense Department. I am not much interested, as a military project, in why potatoes turn brown when they are fried.

Our late beloved colleague, Senator Maybank, then asked:

> Did they have such a project as that?
>
> Secretary WILSON. That is an apt way to describe it.
>
> Senator MAYBANK. I have to differ with you.

Then one of the authorities on military matters in the Senate, who is on the floor today, the great senior Senator from Alabama [Mr. HILL], one as much responsible for the growth of the Air Force as any other Member of the Senate, questioned the Secretary of Defense:

> Mr. Wilson, why not give us a real or true illustration, not about potatoes, but something you did not approve of.
>
> Secretary WILSON. We were pushing the atomic airplane. You could consider that was in the area of pure research.

This testimony shows that the present Secretary of Defense felt in 1953 that pushing the development of the atomic airplane was comparable in importance to pursuing research on why potatoes turn brown when they are fried.

Many people have wondered why we have lagged in the research and development race, especially the reason for the lag in the development of an atomic plane. As the distinguished Senator from Washington knows, for a long time the question of whether we should or should not have an atomic airplane was considered of minor importance.

Based upon the Senator's vast experience on the Joint Committee on Atomic Energy, does he not believe that today the atomic airplane is one of the most important developments we can pursue in the interest of our security?

Mr. JACKSON. The Senator is absolutely correct. As a matter of fact, the Joint Committee on Atomic Energy has pushed this program from the very beginning. We have always considered it a highly urgent project. Its obvious importance, I think, is well known to lay people as well as military authorities. It will make possible a means of support for our long-range Air Force. Atomic aircraft will be able to remain in the air indefinitely. I think the military application of such a vehicle under those circumstances should be clear to every thoughtful or reflective person.

Mr. SYMINGTON. I should like to ask the distinguished Senator from Washington another question.

In the past few weeks a great many articles have been published in prominent national periodicals, relating to the missile picture. In them there has been an accentuation of the missile programs, especially concerning the intercontinental ballistic missile and the medium-range ballistic missile. A great deal of criticism has been leveled by the Defense Department against the release of much information to the American people. However, as the distinguished Senator knows, some of the articles in question have been correct, and some have contained inaccuracies. But these purported facts were originated by, or at least cleared by, the Defense Department. Does not the distinguished Senator agree with me it is wrong for the Department of Defense to approve for publication articles which give to the American people an inaccurate picture of our true position relative to the Communists with respect to missiles?

Mr. JACKSON. I must say to my able and distinguished colleague that I was surprised indeed to read some of the material which appeared in the various publications.

Mr. SYMINGTON. I thank the distinguished Senator.

Mr. JACKSON. Obviously, we should be most careful about divulging any information relating to security or intelligence.

Mr. SYMINGTON. In other words, it may be bad, in a democratic form of government, not to give information to the people; but to give out misinformation is certainly worse, is it not?

Mr. JACKSON. The Senator is correct. I think there are definitely situations in which we must decide whether giving information to the public is more important than withholding it. There comes a time when we must tell the American people the serious nature of the threat. Under those circumstances, in order to mobilize all the proper support of our people behind these undertakings, I think it is better to give such information to the American people, so that they can more strongly support such programs.

Mr. SYMINGTON. If we give them any information at all we should give them the truth, should we not?

Mr. JACKSON. Always.

Mr. SYMINGTON. In order to implement the ballistic missile project the Senator's second recommendation in his speech is as follows:

> 2. To implement this objective the ballistic missile program should be placed under a full-time civilian administrator, reporting directly to the Secretary of Defense and to the President.

As I understand, it is not the purpose of the Senator's recommendation to relieve the Army, the Navy, and the Air Force of their responsibility in this field.

Mr. JACKSON. Absolutely not. The purpose of point 2 in my recommendations was to assign someone on a full-time basis and to make it possible for him to give all his time and energy to this undertaking, so that he could better lead the very able, dedicated members of the Air Force who are doing such an outstanding job. The civilian administrator could help at the civilian end. It is my purpose, in suggesting point No. 2, to further the work already being done by members of the Air Force, so that they will not be caught in a heavy network of Assistant Secretaries of Defense, and to make it possible for them to gain the objective which they must achieve if we are to win this race.

Mr. SYMINGTON. During the war we had what was called the Manhattan Project in order to handle a new weapon in war. To that end, in effect, we created a fourth service, taking it out of the hands of the Navy and War Departments. As I understand, what the distinguished Senator desires is more unification in the whole missile picture at the Pentagon, not the creation of a fourth service.

Mr. JACKSON. That is correct. I wish to marshal all the efforts and energies behind one individual, and to make it possible for that individual to do the job without being tripped up by a group of committees and assistant secretaries. If that sort of situation continues, we will not be able to cut through the bureaucratic redtape, such as we find now in the Department of Defense.

Mr. SYMINGTON. The Senator sits in a position where he has learned much about the missile picture, as much as any Member of the Congress. As I understand, he has made his recommendation because he knows that today in the missile picture there is a lack of unification, and a waste of the taxpayers' money; and therefore there is also a retarding in our effort to obtain the missiles at an early date. He believes that if this program could be changed, corrected, there would be more unification, better concentration of effort. Is that correct?

Mr. JACKSON. Yes; I believe that to be correct. I make my suggestion solely for the purpose of trying to be constructive, so that the dedicated persons who are doing such an able job now will have an opportunity to better utilize and cash in, so to speak, on the energy and time they are giving in their effort to win this race.

Mr. SYMINGTON. I again thank the distinguished junior Senator from Washington for one of the finest addresses on defense I have heard since becoming a Member of the Senate.

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

Mr. JACKSON. I yield.

Mr. KENNEDY. The Senator, I know, together with the late Senator McMahon, was extremely active in stimulating the development of the hydrogen bomb. I assume that the experience he had in that regard would indicate the necessity for congressional action in such a highly classified field, and would also indicate that it is not desirable to

leave the development of these important matters completely in the hands of the military or in the hands of the Executive. Is that correct?

Mr. JACKSON. The Senator is completely correct. In the case of the hydrogen bomb, we know, after a revelation of the facts that gave impetus to the hydrogen bomb, that it was the Joint Committee on Atomic Energy which initiated the program. The American people will always owe a great debt to the late Senator Brien McMahon, who was the main force behind our effort to achieve and win the race for the hydrogen bomb. It was only won by a few months so far as the Soviets were concerned.

Mr. KENNEDY. I know the Senator was also associated with Senator McMahon in the drive by Dr. Teller which resulted in the development of the hydrogen bomb. If there had not been action by Congress, the United States probably would have been behind the Soviet Union in the development of that bomb. Is that correct?

Mr. JACKSON. The Senator from Massachusetts is correct. The Joint Committee on Atomic Energy made the recommendation to the President that we proceed at once on a so-called crash basis to develop the hydrogen bomb. The Joint Committee on Atomic Energy took the initiative. In my opinion, if it had not been for the fact that the committee took the initiative, we might have lost that race. Certainly much time would have been lost.

Mr. KENNEDY. There is no doubt that the Joint Committee on Atomic Energy has been extremely active in attempting to stimulate action in this field. As the junior Senator from Missouri [Mr. SYMINGTON] has said, the Senator from Washington sits as chairman of the Military Applications Subcommittee. In that capacity, does not the Senator feel that he has been given full information about the American program in this field, and it is from that full information that he has made the very serious statement he has made in his speech, namely, that the Soviet Union may fire a 1,500-mile ballistic missile before the end of the year, and that the United States might well be behind the Soviet Union in this field?

Mr. JACKSON. I wish to say to my distinguished colleague that in my remarks I have not divulged any information of a classified nature.

I may say that my statement that the Soviets might achieve a 1,500-mile ballistic missile this year is based on the record of the Soviet leaders in making predictions in the past.

The Senate will recall that Mr. Molotov announced about a year before they had achieved the A-bomb that they had the secret of the A-bomb. The Senate will also recall that Mr. Malenkov, who then headed the Soviet Government, in addressing the Supreme Soviet in July of 1953, I believe, announced that the Soviets had the hydrogen bomb. About 3 or 4 weeks later they exploded a hydrogen bomb.

Immediately after Christmas in 1955 Premier Bulganin, in addressing the Supreme Soviet, indicated very clearly that the Soviets had a ballistic missile of some range.

This makes it abundantly clear to me that without doubt the Soviets have achieved, or will achieve this year, a ballistic missile with possibly a 1,500-mile range. I say a 1,500-mile range because for Soviet objectives a 1,500-mile ballistic missile will accomplish the purpose so far as they are concerned.

As I indicated in my remarks, it would neutralize our allies, and it would make it possible for the Soviets to blackmail our allies to such a point that we might have to withdraw from our overseas Strategic Air Command bases, practically all of which are within 1,500 miles of the Soviet Union or of Soviet-dominated territory.

Mr. KENNEDY. Is it the Senator's point that enough money has been expended on the program, but that the organization and direction of the program have not been satisfactory? Is that correct?

Mr. JACKSON. That is correct. Money itself will not do the job alone.

Mr. KENNEDY. Has the administration asked for sufficient funds, in the Senator's opinion?

Mr. JACKSON. There is ample money available for the specific program I am discussing. Undoubtedly funds will skyrocket if the administration proceeds with the program on an all-out basis.

Mr. KENNEDY. That is what the Senator recommends, is it not?

Mr. JACKSON. Absolutely.

Mr. KENNEDY. I thank the Senator, and I congratulate him on his speech.

Mr. JACKSON. I thank the Senator from Massachusetts.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. JACKSON. I yield.

Mr. SYMINGTON. The Senator said that if the Soviets had a 1,500-mile missile, they could accomplish what they desire. He does not mean, does he, that it is not important also to us whether the Soviets get the intercontinental ballistic missile of 5,000-mile range, the ICBM?

Mr. JACKSON. Certainly I did not intend to say that the ICBM is not important to the Soviets. However, the logical thing for them to do is to achieve an intermediate missile first, because an intermediate missile would undermine our NATO allies, and would have a devastating effect on our overseas SAC bases.

Mr. SYMINGTON. I ask one further question of the Senator, based on the colloquy between him and the distinguished Senator from Massachusetts. If the Soviets have a 1,500-mile IRBM, inasmuch as the vast majority of our strategic striking force in the Air Force is tied up with a medium-range bomber, the B-47, and with the premise that nearly all our overseas bases are within 1,500 miles of Communist territory, is it not true that, once the Soviets have that missile, and we do not, they can tremendously reduce our offensive deterrent power in sharply reducing the capacity of our B-47's by requiring those B-47's to be refueled before they can complete their missions, even forcing them to make two refuelings?

Mr. JACKSON. First, I am not saying that the Soviets have a 1,500-mile ballistic missile. I do not know. I am saying that I feel quite strongly that, in light of Mr. Bulganin's speech of December, if they do not have it now, they will probably get it in 1956.

Mr. SYMINGTON. I understand that.

Mr. JACKSON. The distinguished junior Senator from Missouri has made a very important point. The B-47 is today the foundation of our atomic retaliatory striking power. It relies for its effectiveness, as I understand—and the distinguished junior Senator from Missouri was Secretary of the Air Force and pushed this program with great effort—for its ability to achieve its mission on overseas bases. Without those bases, which are made possible by our allies, it is my understanding that they cannot operate without very expensive and very difficult fueling operations.

Mr. SYMINGTON. That being true, and inasmuch as the B-36 is now rapidly becoming obsolescent, if not actually obsolete, is it not incredible that we still maintain policies which result in the production of only a trickle of the modern intercontinental jet bombers, the B-52's, being produced each month?

Mr. JACKSON. I simply do not understand the philosophy involved. The Soviets were flying more of the so-called Bison type, which is comparable to our B-52 intercontinental jet bomber, than we had produced, according to their last May Day exhibition. Even after the announced stepup we shall still be behind the Soviets in the production of long-range intercontinental jet bombers. I do not for the life of me understand our failure to meet the kind of direct challenge which the Soviets are now offering to us.

Mr. GORE. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I am happy to yield to the Senator from Tennessee.

Mr. GORE. The distinguished junior Senator from Washington has made a very interesting speech, one which is a challenge to the Congress and the executive branch of the Government in the consideration of the essential facts which he has related to the Senate, and one which should be provocative of action both by the executive and legislative branches of Government.

The Senator has emphasized the success with which this country's efforts were met in the instance of the development of the atomic weapon and the submarine *Nautilus*, as being due, in part, to the almost peremptory authority given in the case of General Groves and Admiral Rickover. Does not the Senator recognize, also, that the singleness of responsibility vested in those two distinguished officers had a part as vital as the exercise of authority?

Mr. JACKSON. I quite agree with my distinguished friend. The two considerations are absolutely inseparable if we are to achieve our objective.

Mr. GORE. In the case of Admiral Rickover, not only did he report directly to the Atomic Energy Commission and to the Secretary of Defense, but he also reported and responded to the Joint Com-

mittee on Atomic Energy. Would not the Senator think that in the implementation of his suggestion of a civilian administrator with authority and responsibility in this particular field, the prodding, the driving, the interest, the knowledge, and the authority of the Joint Committee on Atomic Energy would play a part, as well as the line of authority which was established?

Mr. JACKSON. I think it would be very helpful. Certainly, a civilian administrator is needed to clear the road to make it possible for the very fine men in the Air Force, the officers, civilians, and so on down the line, to accomplish the desired objective. But in order to reach their objective, it seems to me they must have someone at the top who can clear away the bureaucratic red tape in a manner and fashion which will make it possible for them to proceed full speed ahead.

Mr. GORE. Mr. President, I wish to congratulate the Senator from Washington upon a very fine and constructive address. I know of the long hours he has spent in hearings, in studying and poring over reports and data. I think he has rendered a very fine service.

Mr. JACKSON. I thank my friend very much.

Mr. MONRONEY. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. MONRONEY. I should like to join my colleagues in thanking the distinguished Senator from Washington for his very fine statement. I had the privilege of reading it, and I have been glad to get the amplification of it. I think he has performed a very great service to the country in helping to arouse, by this fine speech, an interest in the need for coordination and speed in developing to the ultimate range the missiles to which he has referred. We would indeed be taking grave chances if we should allow ourselves to be second in the race to produce the ultimate weapon of this age, which may be the case if the fine advice given by the Senator from Washington is not heeded by those in authority in the Pentagon. No other man in the Congress has the intimate knowledge of and close association with the atomic energy program and with weapons of an atomic nature.

Certainly, we cannot put a balanced budget ahead of a balanced defense. If more funds are needed, the Congress, knowing the facts which the Senator has in his possession, will be glad to provide such funds. The Senator has called attention to the looseness of the operation, and to the need for greater coordination in the production of the necessary weapons. I think the country is clearly indebted to the distinguished Senator from Washington for his splendid address.

Mr. JACKSON. I thank my distinguished friend very much.

Mr. ANDERSON. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I am happy to yield to my distinguished chairman.

Mr. ANDERSON. I tried to reach the floor of the Senate in order that I might hear the Senator's able address, but I found myself in the midst of committee work of the Joint Committee on Atomic Energy from which I have just been freed. I apologize to the Senator. I wished to be present to hear his splendid address, although I have read it.

I may say to the Senator that only a person who knew the amount of time he devoted to the hearings conducted before his subcommittee can appreciate the background of the statements we have heard today.

Does the Senator not agree with me that in the hearings we had an opportunity to examine every principal officer who might be touching our Defense Establishment at the highest possible level?

Mr. JACKSON. The distinguished Senator is absolutely correct. We examined everyone from the Secretary of Defense including Secretaries of the Army, Navy, and Air Force. We had before our committee the Joint Chiefs of Staff, as well as top scientists, persons in every walk of scientific pursuit from whom we could obtain helpful guidance and information.

Mr. ANDERSON. So the Senator will agree with me, I hope, that truly the background on which this type of address could be based has been supplied by them.

Mr. JACKSON. I hope I have in a small way, as have other Members of the Senate, presented facts which would make it possible for us to make sensible suggestions. It is a very complex subject, but the threat which we face is not complex. It is simple and direct.

Mr. ANDERSON. Did the testimony not reveal that we have perhaps always underestimated the Russian capabilities?

Mr. JACKSON. It has become a dangerous American habit to underestimate the Soviet Union. I think we have formed the idea over the years that only Americans can achieve these great scientific break-throughs.

We know, as Mr. Allen Dulles said, in essence, in one of his speeches, that we must now assume that the Soviets are capable of doing anything we can do in this industrial and technical field. I think that is a wise admonition for all Americans to follow if we are going to remain on top. It is the safe course and the safe policy to pursue.

Mr. ANDERSON. I think the Senator from Washington is right. He is to be commended for having called attention to these things. Particularly, I think it was wise that he said the United States might be behind in its ballistic missiles program. I think he and I probably are well acquainted with the fact that this Nation probably is behind.

Mr. JACKSON. I hope we are all utterly wrong on that point; but because I thought we might be right, I felt it necessary to take the matter to the floor of the Senate.

Mr. ANDERSON. I think we are making some headway, and it is good that we are. But the dangers confronting us are very great, and I am glad the Senator from Washington has summed them up—the observations he has made as a result of a long period of study, which I think is most useful and worthwhile. I thank him for his work.

Mr. JACKSON. I thank my distinguished colleague.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6274. An act to provide that no fee shall be charged a veteran discharged under honorable conditions for furnishing him or his next of kin or legal representative a copy of a certificate showing his service in the Armed Forces;

H. R. 8780. An act to amend the Internal Revenue Code of 1954 to relieve farmers from excise taxes in the case of gasoline and special fuels used on the farm for farming purposes; and

H. R. 8796. An act to increase the amount of telephone and telegraph service furnished to Members of the House of Representatives and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 6274. An act to provide that no fee shall be charged a veteran discharged under honorable conditions for furnishing him or his next of kin or legal representative a copy of a certificate showing his service in the Armed Forces; to the Committee on Armed Services.

H. R. 8780. An act to amend the Internal Revenue Code of 1954, to relieve farmers from excise taxes in the case of gasoline and special fuels used on the farm for farming purposes; and to the Committee on Finance.

THE NEED FOR ACCELERATED PURCHASE OF FRESH, CHOICE GRADES OF BEEF

Mr. ALLOTT. Mr. President, I call to the attention of Members of Congress the fact that the Department of Agriculture has today received assurances from the Defense Department that the military will continue, for 60 days, its present program of accelerated purchases of boneless beef from heavy cattle now going to market.

This is an outgrowth of a request made by the National Cattle Feeders Committee in Denver on January 26, 1956. This week, representatives of the National Cattle Feeders have presented their program to Secretary Benson and to members of the House Agriculture Committee, as well as to many Western Senators and Representatives.

It is heartening to see this cooperation between the Department of Defense and the Department of Agriculture in response to an acute situation in the cattle industry. The continuation of this program for accelerated purchase of beef will be beneficial to the cattle market during this current period of relatively heavy marketing of better grades of cattle. These marketings have resulted from the large number of cattle that have been on feed. The Department of Agriculture assures me that they are

giving every consideration to the recommendations set out by the cattle feeders on January 26.

Accordingly, Mr. President, I ask unanimous consent that the statement expressing the views of the Cattle Feeders Committee be printed in the RECORD immediately following my remarks.

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

At a meeting held by the National Cattle Feeders Committee, at the Brown Palace Hotel, in Denver, Colo., on January 26, 1956, it was unanimously approved that the following resolutions be presented to Secretary Benson, and the Agricultural Committee of the United States Senate and/or House of Representatives. Deeming the surplus an emergency, we ask that the following resolutions and recommendations receive your prompt attention.

1. That the United States Department of Agriculture purchase weekly 10 percent or more of Choice or better grades of dressed beef, at the average market price for that week for a period of 12 weeks or until the Chicago dressed meat market reaches the break-even point.

2. Step up military purchases of meat for our Armed Forces, to 180 days, as long as prices are below the price which will be constituted as the break-even point for the feeder and producer. That the quality of meats purchased by the military service be USDA graded Choice or better. It is further recommended that restrictions be lifted on military purchases which would allow them to purchase carcasses of beef weighing in excess of 900 pounds. Said purchases could be stored with the Navy Department since they do have extensive cooler-storage space available.

The break-even point referred to, came from a study of production costs of Choice beef, and was established at an overall average of $23.56 per hundredweight, or, in our opinion, should be based on Chicago's dressed beef market at 38 cents per pound.

3. Encourage development of the school-lunch program, using fresh Choice graded beef carcasses to be handled through local channels. Request the United States Extension Service to hold extensive educational programs on the use of carcass beef in these school programs.

4. Expansion of livestock products should definitely be used in foreign-aid programs, either on exchange basis, or by gift purposes, if necessary.

5. This program is economically sound and should bare excellent public opinion since we are advocating purchases for the military services, school lunches, and for foreign-aid programs, when prices are at a low level, and as prices increase above the break-even point, then, these Government purchases could be restricted or withheld.

6. Time is of the essence, and this program should start immediately. The sooner it is started, the sooner national economy will be brought into balance.

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

The PRESIDING OFFICER (Mr. McNAMARA in the chair). 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.

RELEASE OF REPORT BY PANEL OF JOINT COMMITTEE ON ATOMIC ENERGY

Mr. ANDERSON. Mr. President, the Joint Committee on Atomic Energy yesterday released a report of its panel. The committee had a good many copies of the report printed, but it appears that the supply of copies will be exhausted almost immediately.

Many Members of the Senate, and I assume many Members of the House, also, have expressed an interest in obtaining additional copies of the report. One Senator called my office this morning and said he would like to have 15 copies to send to educational institutions in his State. We should like, so far as possible, to accommodate the Members of the Senate and House who desire additional copies.

I make this statement merely to announce that if Senators who desire additional copies will send a note to the joint committee or will call the office of the joint committee and give an indication of approximately the number of extra copies which may be required, the joint committee will seek authority to have an additional supply printed.

The cost of the first volume, if bought from the Government Printing Office, will be about 50 cents. But the cost of the second volume will be $2 or $2.50. It might be a burden on Members of the Senate to have to supply the educational institutions of their States with copies of the report at $3 for the two volumes. Therefore, if Members of the Senate will indicate to the joint committee the number of copies they will need—and I assume the Members of the House will be notified to do likewise—the joint committee will estimate the number of additional copies to be procured and will then seek approval to have an additional number of copies printed to take care of the demand.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the Fulbright-Harris bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. PURTELL. Mr. President, the pending business before the Senate is a matter of grave importance to all of the people of the United States. It is a matter that should be resolved not on a basis of histrionic ability, oratorical power, sectional interest, or political impact. It should be resolved on the basis of reason and with the public interest in mind. In matters of this nature, it is best to strip away the verbiage, the gingerbread, the window trimming, and examine the proposed legislation in the light of what has been done, what is right and just and fair to all, and what is truly in the public interest. The issue is relatively simple—whether or not, in the public interest, the sale of natural gas in interstate commerce shall continue to be subject to direct regulatory authority by the Federal Government.

Never once, in the weeks of debate or the weeks of hearing, has there been one word of testimony that the interstate transportation of natural gas should not be—as it properly is—regulated by a Federal agency. Never once, in all these days, have I heard testimony by anyone that the States or subdivisions thereof ought not to have, as they properly do, the right to exercise regulation of natural gas in its distribution intrastate. Nobody has questioned that the public interest is best served by Federal regulation of the transmission lines in interstate commerce, or that public interest at the local level can best be served by intrastate regulation through public utility or like commissions.

As a matter of fact, the proponents of this proposed legislation, and the bill itself, recognize the need for regulation of prices of gas flowing for interstate commerce into these transmission lines. The fact is that everyone recognizes that the public interest requires Federal authority to regulate the sale of natural gas interstate.

The decision of the Supreme Court in the Phillips case has been mentioned frequently in the debate. The Court's decision in the Phillips case is clear. After reviewing the committee reports and the congressional debate, the Supreme Court determined that the legislative intent at the time of the Natural Gas Act's passage was that producer sales for resale in interstate commerce should be subject to the regulation by the Federal Power Commission. This is the record, which cannot be disputed.

But let us for a moment view this matter from another perspective. As far back as 1938, the Congress of the United States recognized that public interest requires that Federal authority should exercise regulatory power in the sale of natural gas interstate. The result was the enactment of the Natural Gas Act. This recognition of a public interest was at a time when the sale of natural gas interstate occupied a relatively unimportant place in the economy of our country, and when its public impact was substantially less than it is today.

That was in 1938. This is 1956, and we have 18 years of experience behind us. If it were necessary to protect the public interest in 1938—and it was—how much more necessary is it to protect the public interest in 1956 in the sale and the use of gas, when the sale interstate and the use of gas has multiplied many times, and 26 million consumers are partly or wholly dependent upon natural gas as a fuel.

If there had been no like legislation in 1938, if there had been no Supreme Court decision in a Phillips case, would one hold that there was no need now, in the light of what we know, for Federal regulation of the price of natural gas to the consumer in the public interest? With the extension in use of natural gas, with its impact upon our economy, with the public's dependency upon it as a fuel, is there one who would hold that no need now exists for taking proper legislative steps to see that the public interest in the sale of natural gas is properly protected?

The fact is that in 1956 natural gas has become a chief source of fuel for many in all but a few States of this Union.

Natural gas is piped to these areas by federally regulated pipelines into the distributing lines which are for the most part also regulated intrastate by local public utility or like commissions. Twenty-six million consumers today are partly or wholly dependent upon natural gas, and the number of users has been increasing steadily, and will continue to increase unless we, as legislators, shortsightedly restrict its expansion by adopting such legislation as is proposed in the Fulbright bill. The production, distribution, and sale of natural gas is today the sixth largest industry in this great Nation of ours. Yet, but a few short years ago natural gas was a nonsalable product; in many instances it was burned off or flared off.

The record is already replete with statistics, and statistics can—and, in fact, do at times—become will-o'-the-wisps. It is not my intention, therefore, to indulge in further statistics, but there are some basic principles involved which can be established without the need of confusing tables and charts. I shall now present these facts as I see them. The fact is that there are 26 million consumers dependent upon natural gas as a fuel. These users have invested approximately $14 billion in facilities for the use of this fuel, and these 26 million customers, in truth, under this proposed legislation, will be captive consumers at the end of a pipeline, helpless to help themselves, and denied the protection of adequate regulations, with no freedom of choice and no freedom of decision as to source, and will be denied one of the basic elements of our system of competitive capitalism, by which we have become so great and so powerful and have made such a great contribution to man's material welfare.

Yes, the pending bill would not deny the consumer the continuing right of the protection of regulatory power in the transmission of gas; it would not deny him the regulatory protection in the distribution of gas; but it would, I maintain, deny him the right of adequate regulatory protection in the price of gas.

It would afford the consumer far from adequate protection to have two segments of a three-segmented industry directly regulated, and the third, without regulation in fact. Oh, let me make it plain, the proponents of the proposed legislation recognize the need for some control in the purchase of the gas for interstate transmission. They do not deny that the public interest requires Federal regulation—the bill does not say there shall be no Federal regulation—but the bill does in fact propose to remove protective regulation now in force. It in effect says, "We can't meet this argument that there shouldn't be any regulation. There is too much weight to that. We can't sell that to the people—people won't buy that." But what the bill does in fact propose to do is tell the Federal Power Commission that what it must put the stamp of approval upon will be what the producers of gas have already determined shall be the price.

Is this protection? Is this in the public interest? Far better would it be to say that there should be no regulation. Why not strip the bill of its sugar coating and expose the fact that it is a pretty "bitter pill" for the public to swallow? I deny to no man the right to think or say that there should be no regulation. A man has a right, if he so wishes, to maintain "Let the public pay what the traffic will bear." But I do not think that it is in the public interest to make it appear that regulatory protection is afforded the public when, in fact, little protection exists in the proposed legislation.

Proponents of this measure refer to the protection afforded the public as indirect controls. They hold the Congress impotent—I suppose they do, anyway—and unable to spell out what "just and reasonable" is, but maintain that they have been able to define clearly what is meant by "reasonable market price," to which is attached the phrase "among other things." We have been told that the Federal Power Commission would be unable to arrive at a determination as to what is just and reasonable, but would have no difficulty determining what was fair market price. This is a little bit hard to swallow, Mr. President. What reason have we to believe that the Federal Power Commission would find it wholly unworkable to arrive at what is just and reasonable, as we define it in legislation, but would find it a simple matter to determine what was "reasonable market price, among other things"?

I do not disagree with the conclusions of the proponents of the bill that the national policy on natural gas should be set by Congress, and should not be set by the Federal Power Commission. The ultimate responsibility rests with us. But much has been made of the expressed attitude of the Federal Power Commission toward this bill. One might be led to believe that the Federal Power Commission favors this bill in toto. So, Mr. President, I wish to set the record straight.

The nub of this matter, the meat of this discussion, the major point of controversy, is centered around the words in the bill "reasonable market price." Let us see what the Federal Power Commission did say on the subject of reasonable market price. Chairman Kuykendall, in a letter to the committee under date of May 6, 1955—to be found on page 1174 of the hearings—said:

> The phrase used in the bill for the Commission to consider in fixing the allowance of payments by interstate pipeline companies to producers is that the payments to producers shall not be in excess of the "market price," or the "reasonable market price."

Then the Commissioner—speaking for the Commission, let me say—said further:

> This seems to be less definite than the phrase "just and reasonable price," and the latter appears to be proper.

In that respect I agree with the Chairman of the Commission.

In the same letter he said further:

> The principles outlined above seem to be embodied in this bill, although some amendments may be necessary for clarification.

Mr. President, let me point out that that is entirely different from expressed approval in toto of this bill. The very point the Chairman of the Federal Power Commission makes is the point that I have been making and that my colleagues have been making, namely, that the phrase "reasonable market price" is, in fact, ambiguous; that it is less definite than the phrase "just and reasonable." Mr. President, I know you have heard the bugaboo that just and reasonable has only one interpretation—and that is a return of 6 or 6½ percent on invested capital, plus cost of service. Nothing could be further from the facts, and the Federal Power Commission's report previously referred to so proves. The Commission never has said that regulation of producers necessarily means a utility-type formula of regulation. To the contrary, its statements, its actions, and its decisions, all belie such a conclusion.

In a rate case—that of the Union Oil Company of California, and others—which came before the Commission in the latter part of 1955, counsel for the Public Service Commission for the State of New York made a motion, which is on the record in those proceedings, to dismiss the application for proposed increases in rates, solely on the ground that no evidence of cost had been submitted. The Federal Power Commission, in its proceeding, refused to dismiss the proceedings on this ground. I think this shows that the Federal Power Commission has not committed itself to the so-called utility-type regulation, but uses other standards, as well, in independent producer cases.

Mr. President, we are writing legislation here. Are we so devoid of the ability to express our wishes, if we are so inclined, as not to be able to spell out what we mean by just and reasonable? I am led to believe that the phrase "just and reasonable" is rejected because it can be defined. The Commission says that reasonable market price is not definite; and to make it still more indefinite, the bill carries with it the wording "that among other things"—whatever they are—shall be considered in the determination. There is nothing in this world to prevent this body from setting up standards for just and reasonable, except the will of this body to do so.

There is no reason for assuming that the Federal Power Commission would limit the price of gas to the rigid public-utility formula, which provides factors only on return on investment at 6 or 6½ percent, or any other percentage. In fact, to the contrary, there is every reason to believe that the Commission would not subject the price of natural gas to this formula, alone. Is it not paradoxical that the proponents of the bill lack confidence in the ability of the five members of the Federal Power Commission to set equitable standards for "just and reasonable," and appear to repose complete confidence and limitless faith in the same five gentlemen of the Commission when they are to determine "reasonable market price," and then, Mr. President, the proponents of the bill bind it all up with the beautiful red ribbon of "among other things."

The various escalator clauses, which might well turn out to be Santa Clauses, are not truly affected by this proposed

legislation. They would still operate under this bill, and they might well result in endless litigation if this measure becomes law.

There is no guaranty at all that the price set by a contract at the beginning of operations under that contract will bear any relation to the initial price after the contract has been in force for several years. The natural-gas business is an expanding one. A pipeline seeking sources of gas supply is not, and perhaps could not be, adamant as regards receiving the lowest price available in the field, since the price paid to the producer by the pipeline will be passed on to the distributing company, and ultimately to the consumer. The very nature of the overall operation precludes the buyer—and now I refer to the ultimate buyer, that is, the consumer—from meeting the seller at the bargaining table and at arm's length arriving at a suitable contract. He is not a party to the contract, nor could he be. But he cannot escape being the victim of a contract if the contract be not just and reasonable.

Mr. President, this proposed legislation does not deal effectively with the so-called escalator clauses, which could lead to abuses, and at best can only lead to extended litigation, due to the confusion in trying to fit "fair market price" into a bona fide existing contract.

The bill embodies no regulation on the producer. Its indirect impact is limited to saying to the pipeline, in effect, "If you pay on existing contracts—not new or renegotiated contracts—more than what we may determine is a 'reasonable market price,' you cannot hand it on to the consumer."

Oh, yes, the bill does provide that in the case cited, the pipeline shall be obligated to pay only such part as the Commission has found to be a reasonable market price. I leave it to the legal minds in this body to determine the amount of litigation that might ensue in a case in which a bona fide contract between buyer and seller extended back over the years and still had several years to run.

The question before us is not whether the public is gouged $10 billion, $1 billion, or $1. The question is whether they will, in fact, be defenseless against gouging; whether they will remain, in truth, unprotected, defenseless, helpless, captives at the end of a pipeline—the innocent victims, as it were, of a contract, or contracts, to which they were not a party and from which they have no escape unless they wish to abandon $14 billion worth of investments, which would have no resale value. In the purchase of natural gas a consumer is truly captive, and is not in a position to barter among several suppliers for his fuel. He either takes the service and gas offered to him by the distributing company or he does without. If he has coal-burner or oil-burner equipment he is protected by the competitive nature of both businesses.

One has only to look in the yellow pages of the telephone book to see the point I make vividly staring him in the face. I checked in the yellow book of the Washington telephone directory only the other day and found that there are approximately 100 retail coal dealers in the Washington area, and about 90 retailers of fuel oil. Contrast these figures with one natural gas distributing company and the point, I believe, becomes manifestly clear.

I should like to address myself, now, to the unwarranted and unreasonable claim that in passing the Fulbright bill we shall be defending and protecting free enterprise. I want to be fair, and I want to be temperate, but in truth, I cannot understand how the meaning of "free enterprise" can be so distorted as to justify the claim that this bill would operate under it or protect it. I defer to no man in faith, in trust, and in belief in free enterprise. I have stated before, and I shall state again, that for more than a quarter of a century I have operated under it; I have preached its virtues; and I may add, I have attempted to correct some of the abuses practiced in its name.

But what we are dealing with here is not free enterprise as we Americans know it. By no stretch of the imagination can it be called free enterprise. Let us strip off the cloak with which this measure has been clothed and expose it for what it is—anything but free enterprise.

What is free enterprise? American free enterprise must be free and it must be competitive, not only on the part of the seller, but also on the part of the buyer. The cornerstone of competitive capitalism is the freedom of choice to sell or to buy where one wishes, and to buy or sell at the most favorable prices in a competitive market. Free enterprise gives no guaranty to anyone of a profit. It provides the opportunity for profit, and that is all anyone has a right to expect in competition with others, either in buying or in selling. We associate the words "risk capital" with competitive capitalism, or free enterprise. Let us examine this question as it applies to the sale of natural gas.

In the contracts in this field, insofar as I have been able to learn, provision is made for no decrease in price—only an increase in price. The price will never be lowered; all the protection is on the side of the seller. Look at the escalator clauses in the contracts. Why talk of competition and free enterprise, and the free play of the forces of supply and demand in the market place, when, as a matter of fact, now in some gas-producing States the owner of gas reserves has no freedom of choice as to the price at which the gas will be sold. He is not permitted to sell it at a price lower than the price established by a State authority. Is this competition? Is this free enterprise? If it is, then it is a new concept and one which I believe the American people will refuse to accept.

Oh, I know that I shall be told that a State minimum price order was held by the Supreme Court of the United States to be invalid for interstate sales. But I call attention to the fact that these minimum prices, or floors, in intrastate sales are valid and will go far in determining the reasonable market price for interstate sales. Real competitive capitalism puts a floor under nobody. In free enterprise there must be present the right to exercise freedom of choice, freedom of selection, on the part of both the buyer and the seller. How can we call it free enterprise when 26 million consumers have no freedom of choice in the determination of where they will buy their gas and at what price, because no freedom of competition exists for that choice at the consumer level? I know of no way in which we can more quickly stifle free enterprise, restrict our system of competitive capitalism, and kill the goose that laid the golden egg, than by clothing an important segment of this industry with all the rights and privileges that are an inherent part of competitive capitalism, while freeing it from the balancing forces of true competition, which is likewise inherent in free enterprise.

I have been told by men whose length of service in this body exceeds mine by many years that never have they witnessed so much lobbying—and, I might add, not all one-sided. But the forgotten man for whom there has been no lobby is the little fellow in this picture—the household consumer. He does not own stock in the oil companies or in the utilities. There is no pressure group working for the family which has an investment in gas equipment that it cannot afford to lose. Its only lobby is the one guaranteed it by the Constitution, namely, the Congress of the United States. The consumers do not own stock in either oil or utility companies which can advise them to write to us here in Washington. Many of them are paying for their gas equipment on time. They, and their gas for cooking, heating, and household needs, will be at the mercy of the producers and gatherers of natural gas. The proposed legislation has not mounted party lines. This is a battle of uninformed inertia, in most cases, opposed to well organized, well-heeled organizations. The only factor that can tip the scales in the balance for the little fellow, who incidentally sent all of us down here to protect his interest, is our calm deliberation and, I trust, our defeat of this bill as it is presently written.

Mr. SCHOEPPEL. Mr. President, Mark Twain once said, "Tell the truth. It will surprise all and please some." What I am saying will not please every one here. But it is the truth; it is a fact.

In this nationwide war of words, the main point has been almost universally overlooked. That point is this—what does the average household consumer pay for his gas? And is he being robbed?

The fight against the pending bill, so far as the actual producer of natural gas is concerned, is a 2-cent tempest. I reiterate, I am talking about the price that the producer of natural gas gets from the average household consumer of natural gas in this country.

In 1954 the average household consumer of natural gas throughout the United States paid 2 cents a day for the gas he used in his home. I am not quibbling. This is no play on words. It is the literal and exact truth. But because it is not undersood, this tempest in a teapot has become almost a political hurricane.

I am speaking of gas, the commodity, the article in interstate commerce. I am

not talking about the expense of delivering this commodity. I am not talking about the profits which are added to the actual cost of the product by the pipeline, or by local distributing units. I am talking about the commodity itself. It costs the average household consumer in the United States the enormous sum of 2 cents a day. The natural gas that reaches the burner tip itself in the kitchen stove is exactly the same gas the producer delivers to the interstate pipeline company. It is the identical article, nothing has been changed. No value has been added to it by manufacture or processing since it left the producer's hands.

It makes no difference whether the kitchen stove is hooked up to the gas well itself, right on the premises, or to a distributing line in the streets of Washington, New York, Boston, Detroit, or Madison, Wis., a thousand miles away. It is the same gas that entered the far end of the pipeline.

It is this commodity the consumer buys. It is this commodity he pays for, and it costs him the staggering sum of 2 cents a day. Everything else the consumer pays for is the cost of moving this commodity from the point of production to the point of consumption. And these costs are regulated as fair and reasonable by either the Federal Power Commission or by a local or State utility commission.

It is only the commodity itself that concerns us here, and to that I am directing my remarks.

The commodity is gas, the price of which, until five judges of the Supreme Court spoke on June 7, 1954, had always been left to the free market forces of supply and demand at the point where it was produced and delivered to the pipeline for movement to the ultimate consumer.

Since natural gas was first used to light homes, in Fredonia, N. Y., in 1821, 134 years ago, the price of gas has always been determined by the operations of a free-market economy, subject only, in recent years, to State, not Federal, laws designed to prevent waste and conserve this great natural resource that is now supplying one-fourth of the total energy used in this country.

It is simply not correct to say that the consumer in Philadelphia, Chicago, or San Francisco pays so much per therm, or thousand cubic feet, or so many dollars a month for his gas. He does not pay these amounts for his gas. This common way of describing the transaction is simply a shorthand method of totaling three different items: First, the cost of gas; second, the cost of transportation; and, third, the cost of local delivery. Let us not lose sight of that fact.

The crux of the question before the Senate is this: How much does the consumer pay for his gas? And is he being robbed?

No one can understand this problem until he sees these three separate items with crystal clarity—the cost of gas, the expense of transportation, and the expense of local delivery. It is only the cost of the gas that concerns us, and in saying that I am speaking for the producers.

In this respect, the gas is no different from any other commodity that is paid for, at the point of delivery, with freight, or express, or c. o. d., or other charges added.

The price of steel at Pittsburgh is so much a ton. The price paid by a buyer in Portland, Maine, is a different amount, but it is the same steel that was loaded on cars at Pittsburgh. The difference represents the expense of transportation. If this were not so, railroads, trucks, ships, pipelines, and airplanes would operate without charging for their services. The buyer in Portland pays for the steel, and he also pays the freight. But steel and freight are two different things, furnished by different people. One is a commodity; the other is a service.

As a matter of convenience, the buyer in Portland may pay for these items added together in one bill and does so by writing one check. But this does not change the essential fact. The essential fact is that he pays for the steel, a commodity, and for the freight, a service.

So it is with natural gas. On the average, wherever it enters the home of an American citizen it costs the tremendous sum of 2 cents a day. And that, or, rather, a fraction of 2 cents, is all this hullaballoo is about. It is a 2-cent tempest.

I say fraction of 2 cents, because I do not suppose the most rabid opponents of the bill demand that the producer work for nothing, find the gas, drill for it with all the heavy risks this entails, process it for delivery to a pipeline, and receive nothing for his pains.

Remember, the 2 cents per day received by the producer for his gas is his gross receipts; his profit, if any, must be found only after all costs of drilling and exploration, including dry holes, and operating costs, which has been mounting, have been paid.

When the American people understand that this hassle that has divided the Nation is about nothing more than 2 cents a day, they are going to look with considerable disdain upon the self-appointed champions who have rushed into the political arena to scare them to death and save them from some fearful dragon.

The people are interested, and vitally so, in a certain, ample and continuing supply of gas, and not, in my opinion, in 2 cents a day, which the producer gets for the gas the consumers use. The consumers do not regard 2 cents a day as highway robbery. Hundreds of thousands of householders are now standing in line asking for gas at 2 cents a day. The synthetic dragons and political scarecrows that have been conjured up do not frighten them. They want gas. I am speaking for them.

The thing for Senators to be scared of is what these users and prospective users of gas will do to them if they do anything here that may diminish, or make less certain, an ample supply of natural gas to them. If Senators do that, they will need a political gas mask when they face their voters again. The people do not like to have any one play on their ignorance—treat them as though they cannot think this matter through.

They have had experience with OPA. They know that quantity or quality goes down where OPA goes up.

But we cannot blame some of the people who have been disturbed and confused by all this hue and cry. No one has explained the matter to them in words they can understand. The only important point at issue has been lost in an angry tempest of words—a 2 cent tempest—about technical points and legal language far from the kitchen stove.

I doubt if I have ever seen in Congress a bill which has been enveloped in so much exaggeration, misrepresentation, denunciation, political bias, and class feeling, as this. It is time to penetrate the fog and see what we are really talking about. It is 2 cents a day.

As an example of the demagoguery that has surrounded this question, I read this headline from the paper of one of our big labor organizations: "Childs Estimates Natural Gas Steal Would Cost $800 Million." I would urge the writer of that headline and the article which follows it to calm down long enough to get one fact straight, namely, that the total bill paid by residential consumers last year for their gas, and the cost of bringing it to their homes, was $1,420 million. Of this, 10 percent, or only $142 million, went to the producers of gas. Let that fact be realized.

The total gross income of the producers is just 18 percent of the 800,000,000 additional dollars by which the consumers are to be "gouged" according to this self-appointed champion. When we look at this political hambone, it is all bone and no ham.

The great statesman of the old South, John C. Calhoun, has gone down in history as an intellectual giant, a reputation well earned and justly deserved. But as we all know, he was, in physical stature, a small man, one might say a very small man. The exaggeration that has gotten into this natural gas matter reminds me of a story told of Mr. Calhoun.

He came to the Senate one bitter cold day, clad in a huge greatcoat, shawl, fur cap, scarf, mittens, wristlets, boots, and was covered with snow and sleet.

He gradually disentangled himself from all this gear, and when he emerged from it, one of his colleagues said, "Did you ever see so many shucks around such a small nubbin?"

Nothing is so deadly to a dogma as a fact. I knew a man once who always blustered forth with dogma until he came in contact with a fact. A friend said of him, "He comes in like a bass drum and goes out like a piccolo."

Mr. President, the essential facts in this bill have been lost in a corn field of shucks. As Richard Sheridan said of an opponent in the British House of Commons:

> The right honorable gentleman is indebted to his memory for his jests, and to his imagination for his facts.

This nationwide hassle, in which so many throats have grown hoarse, and so many tons of ink have been spilled, is

a 2-cent tempest even so far as the Supreme Court is concerned. When it decided the Phillips case a year and a half ago, natural gas had been engaged in its quiet job of bringing cheap, clean fuel into millions of homes. From these homes I have received few complaints, and they have been mostly on the inquiry side. The complaints have all come from those who are interested in votes, rather than in the price of gas.

As one man said to another at the funeral of a third, "What complaint did he die of?" The reply was, "There warn't no complaint. Everybody was satisfied." That is like some of the things which have been said about this bill.

While natural gas during the past year has kept itself confined in its pipelines, the political gas has leaked all over the country.

Before taking up other features of the bill, the Senate should get its feet on solid ground.

Therms and thousand cubic feet are Greek and Sanskrit to the average consumer of gas. They could not tell a therm from a whiffletree. I dare to venture the assertion, Mr. President, that few of us would risk our bank balance—small though it may be—on a correct definition of a therm. And who ever saw a thousand cubic feet of gas? Who ever held it in his hand, or cuddled it to his bosom? Where did it come from? How did it get here? What are the mighty problems of those who produce it and transport it to the burner tips beneath the pancakes? Who knows? And who cares? Very few.

So long as the gas keeps coming, so long as it is available every minute of every day, when the baby cries for his warm bottle at midnight, or a hot-water bottle is needed to ease the pain of someone who is sick, or when mouths water for pancakes on a frosty morning, or for southern fried chicken, may I say to the distinguished occupant of the Chair, when the chores are done and the shades of evening fall, who cares about therms? They are used in this argument as a sort of smoke screen.

What the good people want to know about their faithful friend, gas, is whether they are going to have an unfailing and instant supply at a cost reasonable both to them and to those who find the gas and bring it to their homes. Consumers are not at all interested in no gas at an OPA price. On that I would gamble my reputation.

The people, however, understand dollars and cents. So let us talk about this molehill in terms the folks back home can understand.

A 2-cent tempest or a molehill mountain. I offer our adversaries the choice of either weapon.

A few figures will bring the mountain down to molehill size and calm the 2-cent tempest. They call for no harsh intellectual labor beyond simple arithmetic which any high school student can put on the blackboard.

What does the average household consumer pay the producer for the gas he or she uses in a year, month, or day? That is the nubbin, and it is easily separated from the shucks.

The price the consumer pays his local utility company, as I have said, is the total of three items. One is the service rendered by the local distributing company, which is a legalized monopoly regulated by State or city utility commissions. The second is the service rendered by the long-distance pipelines, which are also legalized monopolies, regulated by the Federal Power Commission. The third is the gas itself.

As the first and second of these items are already regulated, by public authorities, only the price received by the producer is involved in this debate. Nothing else. Nothing at all. Nationwide, the producer gets almost exactly 10 percent of the total paid by the consumer. That is generally conceded by all writers who know anything about what the producer receives. The other 90 percent of the so-called gas bill represents the cost of transportation and local distribution.

In other words, 90 percent of the consumer's bill is freight and only 10 percent is for the commodity itself. These fractions will vary a little, up or down, in different states, due to distance from the gas fields, load factors, and other economic forces. But for the moment, I am giving nationwide averages.

The total amount paid by the household consumer varies also, of course, from house to house, city to city, and State to State, depending on the amount of gas the consumer uses and for what purposes; second, on the total volume handled by the local utility and the pipeline company and other operating costs, such as taxes, wages, machinery, supplies, and so forth.

Here, again, I am giving the nationwide average cost per year to all household consumers, based on the average amount of gas used, and the price per cubic foot.

The average household consumer in the year 1954 paid almost exactly $72 for his year's supply of gas and the cost of delivering it to his home. As this "average consumer" includes all those who heat their homes with gas and thus use a large quantity, the yearly cost to the millions of consumers who use gas only for cooking or water heating is very much less than $72. In fact, millions of people pay no more than $2, $3, or $4 a month, or $24, $36, or $48 a year for the gas and the transportation and delivery service.

But I rest my case on the nationwide total cost of $72 a year and the nationwide average of 10 percent of that sum which the producer receives.

Of this $72 total annual cost to the household consumer, approximately 10 percent goes to the producer, which is $7.20 a year or 60 cents a month or 2 cents a day.

That is the nationwide average figure. Anyone who is interested in State-by-State figures will find the data in the Federal Power Commission.

I will take time to name a few cities, as I know Senators will be very much interested in them. The cost of the gas—the commodity—to the average household consumer in Baltimore, Md., is $5.45 a year, or 1.5 cents a day.

Chicago, Ill., $5.63 a year, or about 1.6 cents a day.

Cleveland, Ohio, where the average amount consumed in a year per customer is unusually high, $20 a year, or 5.5 cents a day.

Detroit, Mich., $8.30 a year, or 2.3 cents a day.

Milwaukee, Wis., $5.17 a year, or 1.4 cents a day.

Minneapolis, Minn., $14.65 a year, or 4.1 cents a day.

New York, where the average yearly annual amount consumed per customer is unusually low, $1.20 a year, or three-tenths of a cent a day.

St. Louis, Mo., $7.08 a year, or 1.9 cents a day.

Washington, D. C., $9.43 a year, or 2.6 cents a day. This is in the Capital of the Nation.

These yearly and daily costs for these nine cities are computed from published data. They are obtained by multiplying the average consumption per year per household customer in thousands of cubic feet, by the price received per thousand cubic feet by the producers who supplied the interstate pipeline that serviced each particular city.

In 5 of the 9 cities the price is less than 2 cents a day. The high price was 5.5 cents a day; the low price was three-tenths of a cent a day.

The nationwide cost of gas, as I have said, is about $7.20 a year, 60 cents a month, 2 cents a day. The rest of the amount the consumer pays is represented by transportation and local delivery costs, which cannot be charged to the producers. The individual in the field, the one who produces the gas, gets, generally speaking, on the average of 10 percent. Senators who are interested in pointing their fingers at the producers should consider the distribution and transportation costs. Then they could call out and name the villain.

These figures show why this is a 2-cent tempest, or molehill mountain.

That is what it is. Nothing else can be made out of it.

If the Federal Power Commission were to force a reduction of 10 percent of the price of the gas that goes into household consumption, it could possibly, for a short time, save the average consumer 72 cents a year, or 6 cents a month.

I am talking about the so-called villain who is producing the gas, but who gets only, as a basic average, 2 cents a day from the consumer's dollar.

If the price were forced down by 20 percent, it could save the average consumer, for a short time possibly $1.40 a year, or about a dime a month.

But suppose the Federal Power Commission did this, with your votes, what then? A reduction to some fraction of 2 cents a day is an insignificant item to the consumer, but it is a big item to the producer, because that is all he gets. That is his entire gross income. That is his living.

Force him to accept something less than a free market price for his gas, and will he be as willing to gamble his grub stake on the next dry hole? Would his banker? Would you, Mr. President? And then what happens to supply?

I submit that the household consumer is more interested in an unfailing supply of natural gas than he is in some fraction of 2 cents a day. And what about the homes not now supplied with gas, but which are clamoring for it? What

about the tens of thousands—yes, as some Senators have indicated, the hundreds of thousands—who are seeking to have some kind of gas service connection, who are clamoring to receive natural gas?

Are we going to erect some OPA barrier to their getting it?

I am confident that if we would tell the consumers and voters of our States that this hue and cry is about 2 cents a day, the voters would tell us to vote to continue free market prices for gas in the producing fields so that they would be assured of an ample and continuing supply.

I recognize that there are basic differences in the concepts of the purchasing of gas. But it will be the continuing supply which will be the reassuring factor to many of the hundreds of thousands of potential users of natural gas.

Their memories are not short. They know how goods disappeared off the shelves, or the quality went sour, when OPA was in force, however justified OPA may have been when the Nation was at war.

What is 2 cents a day? It is the price of 2 cigarettes. It is one-third the tax on a pack of cigarettes. Gas consumers smoke cigarettes. Will Senators who are opposed to the bill vote to reduce the price or tax on cigarettes to ease the burden of gas consumers who smoke?

Gas consumers buy daily newspapers for 5 cents each. The sum paid for one newspaper pays for gas for two and a half days. Will my learned friends on the other side of the question now campaign to reduce the price of the daily newspaper?

Who is next on the list of reproach and attack?

The gas producer receives from the average consumer for the gas used to cook three meals a day for a whole family and to heat their water, less than the cost of one egg, soft boiled or hard. What would Senators go without? One egg, or nothing to cook anything with?

One quart of milk in many cities costs as much as the gas used in the average home for from 10 to 12 days. Gas consumers use both eggs and milk. Will my opposing friends who are so anxious to protect the gas consumers' pocketbooks now do battle to cut down the price of milk and eggs?

What about the price of haircuts, hairdo's, and, in the summertime, a bleacher seat at the ball park?

Will my friends on the other side have done their full duty to the people if they disregard these items?

Wages are a big item in the cost of utility service which are incorporated in the bill sent to the consumer each month. I recall that during the hearings, representatives who appeared in the interest of the gas-distributing companies would say, time after time, that their labor and material costs had gone up.

Will the city hall champions of the gas consumer campaign to reduce the wages paid by utilities so that the gas consumers' bill may be reduced? Oh, no, they will not touch wages; I guarantee that. But why, then, are they so hot and bothered about 2 cents a day?

The utilities buy many things beside gas which go into their rate base upon which the price of their service is fixed by legal authority. They buy pipe, pumps, heavy machinery, typewriters, billing machines, motorcars, and a thousand other items.

Do we hear of any proposed crusade to regulate the prices the utility companies pay for all the other things they buy and use besides gas? If not, why not? What is there about 2 cents a day that especially excites their zeal against the producers?

I say to the manufacturers of all these commodities, which are produced, like gas, in a free market, that my zealous friends on the other side of this question may have them next on their prescribed list.

I say the same to those who mine coal, iron, copper, lead, zinc, and the lumbermen in the forests—all of whom produce commodities which utility companies buy and charge to the consumer, just as they do gas.

I also call the attention of the manufacturers of household appliances that use gas—the kitchen stove, water heaters, home incinerators, fireplace gas logs, and gas furnaces for home heating—to what is going on here in the Senate today.

Tell me, Mr. Manufacturer and Mr. Merchant, and the men who work for you, why the Federal Government should fix the 2 cents price of gas as it comes from the well, and not fix the greater price of the appliance in which the gas is burned? What is the cost of a gas range in the average kitchen? I know I am speaking in the presence of persons who use gas. Shall I say the cost is $180? That would pay for the gas used in the range for 9,000 days or more, or 20 years. Do you think, Mr. President, these city hall enthusiasts will call it a day when they regulate downward the 2 cents price of the gas which the consumer gets, and leave the $180 investment in the range alone?

Is natural gas to be the only commodity, competitively produced, that is to be subject to Federal price controls in time of peace? Is anyone so naive as to think the holy zeal that warms the gallant bosoms of some of the opponents of the pending bill will cease to burn when they fasten a public-utility status, or a Federal OPA price ceiling, on gas and on the gas producer?

Who is next on their list? Businessmen and every American who believes in a free-market economy should pay heed to the debate on the bill. Who will be the next victim of those who think 2 cents a day is highway robbery?

Mr. President, there is only one question for us to decide. All other questions are collateral to it. That question is: Are the users of gas being robbed? Are they the victims of extortion, duress, or overreaching on the part of the producers of the commodity called gas? Tell them their gas costs 2 cents a day, and ask them to answer.

Have the operations of a free-competitive market in the gas fields of America served them well or ill? Consider these facts: When the Natural Gas Act of 1938 was passed there were 6,700,000 home users of gas, consuming a total of 1,242 million cubic feet of gas a year. In 1954—the last full year for which we have the total figures—there were 25,327,000 home users, consuming a total of 1.9 trillion cubic feet a year.

Meantime, during these 16 years, the average field price rose far less than did wages, or food, or the cost of living made up of scores or hundreds of items which people buy and use. The field price of gas during these 16 years actually rose a little less than the dollar decreased in value, due to inflation.

If household consumers today bought their gas with 1938 dollars, it would cost them less than it did then, despite all the increase in wages, taxes, and the cost of materials since then.

How did this all come about? Mr. President, it is my considered judgment that it came about only by the free choice of millions of consumers. How else does one determine whether an exchange of money for a commodity is robbery, or a free exchange?

Generally, when the price of anything gets too high, in the judgment of the buyer, demand falls off. But in the case of gas, demand is rising constantly, not only with the increase of population, but consumption per capita is increasing, and it is going to take much development and a great deal of production to meet the demand.

Are there any better judges of whether the price of gas is reasonable than the people who use it? Or are we to accept the views of those who see and envision all-out control of natural resources, and all the rest who hate our free competitive enterprise system? I do not want to give them a driving wedge.

Why has natural gas taken the place of manufactured gas, except for the reason that it is a better bargain? And yet, natural gas for kitchen or household heating always faces the present or potential competition of manufactured gas, of electricity—count the number of kitchens that have electric ranges—of bottled gas, fuel oil, kerosene, and coal.

Are not the people themselves reliable judges of comparative values? Compare the cost of a cigarette, an egg, a newspaper, a quart of milk, the wages paid a plumber, or any other article or service, with a day's consumption of gas at 2 cents a day, and ask yourselves who, if any one, is being robbed.

We have heard much of escalation clauses, favored nation clauses, and other details in contracts with pipeline companies. Many of these are being corrected or modified in the pending bill. I know there are some honest differences of opinion on that question. I do not share in this regard the ill-founded views of some of my friends who are opposing the bill, for I think the bill, with the amendments will go a long way to justify completely the statement that there is contained in the bill an element of indirect control—and, yes, direct control—which will protect the consumers of the country. If the consumer needs protection by legislative action, he would be better protected if the pending bill should pass than he would be otherwise. But I emphasize that with all these clauses in full operation, the question

still boils down to 2 cents a day to the producer of gas, and that is all it will cost the consumer, so far as the producer is concerned.

Mr. President, I submit from the record that a free market in the gas fields, which we have had for 100 years, has served the people well. I submit that there is no evidence that the homeowners of America have been robbed by the producers or will be robbed.

I join with the most experienced and authoritative legal agency we have to judge the merits of this problem, the Federal Power Commission when it says that the passage of this bill "will in the long run result in the greatest good to the largest number of people in this country."

Mr. President, because of the element of time, rather than go into a further discussion of four phases of the pending bill which have been under discussion, I ask unanimous consent that my statement with reference to "just and reasonable price" versus "reasonable market price," and justification for the use of the term, "reasonable market price," and the meaning of "reasonable market price," escalation and the extent of Federal Power Commission regulations, and the reasons for distinguishing between old and new contracts in regulatory provisions of the Harris-Fulbright bill, be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Is there objection?

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

STATEMENT BY SENATOR SCHOEPPEL

Now let me turn to four phases of this present bill that has been under discussion:

1. Let me refer to "just and reasonable price" versus "reasonable market price."

The proposal to amend the Harris-Fulbright bills to specify "just and reasonable" instead of "reasonable market" price is a trap for the unwary. Some of its advocates are innocent victims of the design of the opponents of this legislation to wreck it.

To the uninitiated, it may seem incredible that any one could object to prices that are "just and reasonable"—any more than one could fail to be against sin. But the fact is that these words have historically been used to prescribe rates for public utilities and they have an accepted meaning of cost plus a reasonable return on investment, usually 6 percent per annum.

Although at the time of the hearings, the Federal Power Commission had construed the term "just and reasonable rate" to authorize a wide latitude in fixing the rates of gas produced by a pipeline company, and had allowed Panhandle Eastern the weighted average price which it paid independent producers for gas in the field, that decision was reversed by the Court of Appeals on December 15, 1955.[1]

The court held that the term "just and reasonable rate" required the Commission to fix rates on the basis of cost: That possibly the Commission might allow such an additional amount as was needed "and is no more than is needed" to encourage exploration and development, but that such additional amount must be supported by evidence and findings of the Commission. Even then, the court made clear that it might decide, when presented with such evidence and findings, that the additional sum could not be allowed under the "just and reasonable" standard.[2]

This means, then, that if the term "just and reasonable" is substituted for "reasonable market" price, the Commission will be dutybound to fix the prices of pipeline companies and independent producers upon a cost basis. The thought expressed by the Chairman of the Federal Power Commission[3] that the use of the word "price" instead of "rate," as presently specified in the act, might permit a broader range of factors to be considered in fixing prices is untenable.

The words "price" and "rate" are synonymous terms.[4]

Whatever sum the Commission might allow independent producers in addition to the cost rate, it is clear that the Commission must first find upon evidence what each producer's cost is. The cost rate is at least "a point of departure."[5]

The Commission reported to the Senate committee that independent producers should not be regulated on a cost basis and that it is impractical to regulate them on that basis.[6] It has also said that the cost method of fixing prices of gas produced by pipeline companies is not in the public interest.[7]

It will be an administrative impossibility to ascertain the costs of eight thousand-odd gas producers within the next decade, and cost can never be determined except upon arbitrary allocations between gas, oil, distillate, and gas liquids. The cost of administration will far exceed any possible benefits—to say nothing of the additional millions of dollars that producers will have to pay to attorneys, accountants, and others to comply with the statute.

The suggestion that the term "just and reasonable" be defined to include a number of factors to consider in addition to cost does not help.[8]

As long as cost is one of those factors, cost will have to be ascertained for each producer. The administrative burdens would not be lessened. And there is no use to consider cost unless it is to have some effect.

To give it effect means that producer A will be allowed a different price than his neighbor or even a joint owner of the same well, because their costs differ. This would be one of the delirious results of price fixing on a cost basis which Justice Jackson discussed at length in his dissenting opinion in *Federal Power Commission* v. *Hope Natural Gas Co.* (320 U. S. at 628), and in his concurring opinion in *Colorado Interstate Gas Co.* v. *Federal Power Commission* (324 U. S. 581, 608).

The administrative process is certain to bog down and inevitably gas production will bog down too. The redtape, the great delays in the decisions of the Commission, the huge cost of complying with the regulations will cause many producers to throw in the towel and direct their efforts to less confused and less restrained businesses.

Not only so, but such gas as is hereafter committed to interstate markets will be the highest cost gas of each producer. Intrastate markets already consume 53 percent of the marketed production and doubtless additional markets will be developed in the producing States in view of the heavy penalty placed upon interstate sales.

So it cannot be doubted that producers will have a choice between interstate and intrastate markets for at least half of their production.

Can it be doubted that in selecting the gas to go interstate producers will select their highest cost gas and sell their low-cost gas for consumption within the State? Can it be doubted that this will result in higher prices for interstate consumers instead of lower prices?

2. Reasonable market price and justification for the use of the term, and the meaning of "reasonable market price."

EFFECT OF NO DEFINITION IN THE HARRIS-FULBRIGHT BILLS

In the absence of a definition, words in a statute will be given the meaning ordinarily attributed to them.[9]

The word "reasonable" and the words "market price" have established meanings. Since it is intended that these words have their usual and ordinary meaning there is no need to define them.

It is significant that the words "just and reasonable rate" are not defined in the Natural Gas Act.

JUSTIFICATION FOR USE OF TERM

There are only two accepted standards for determining prices: (1) The utility standard of cost plus a reasonable return on investment, and (2) value.

We have already seen that the cost method is not suitable for regulating independent producers.

There is a rather full discussion of the matter by Mr. Justice Jackson in his dissenting opinion in *Federal Power Commission* v. *Hope Natural Gas Co.* (320 U. S. at p. 628), and in his concurring opinion in *Colorado Interstate Gas Co.* v. *Federal Power Commission* (324 U. S. 581, 608).

Since we are dealing with a commodity and not a service, and since the commodity is produced and sold competitively, value seems to be the only acceptable criteria. But why reasonable market price?

Because market price or market value (synonymous terms) are the universally applied standards for determining value of

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[1] *City of Detroit* v. *Federal Power Commission* (No. 12351) United States Court of Appeals for the District of Columbia Circuit.

[2] In speaking of the increase above the rate arrived at on the basis of cost plus a reasonable rate of return in order to encourage exploration and development, the court said: "Furthermore, it is seen that when we refer to an 'increase' we mean an increase in the rates above those which would result from use of the conventional rate-base method. For, though we hold that method not to be the only one available under the statute, it is essential in such a case as this that it be used as a basis of comparison. It has been repeatedly used by the Commission, and repeatedly approved by the courts as a means of arriving at lawful—'just and reasonable'—rates under the act. Unless it is continued to be used at least as a point of departure, the whole experience under the act is discarded and no anchor, as it were, is available by which to hold the terms 'just and reasonable' to some recognizable meaning."

[3] Hearings on H. R. 4560, before the House Interstate and Foreign Commerce Committee, 84th Cong.

[4] Webster's New International Dictionary. *Raun* v. *Reynolds* (11 Cal. 14, 19), stating: " 'Rate' is defined by Webster to be the price or amount stated or fixed for another." *Gould* v. *City of Lawrence* (*Mass.*) (35 N. E. 462). *Lenawee County Gas & Electric Co.* v. *City of Adrian* (*Mich.*) (176 N. W. 590, 592); *City of Detroit* v. *Public Utilities Commission* (*Mich.*) (286 N. W. 368). Moreover, the Chairman was speaking in the light of his understanding that the Commission already had wide latitude under "just and reasonable rate," which turned out to be an erroneous idea with the reversal by the court of appeals of the Commission's decision in the Panhandle Eastern case.

[5] See footnote 2.

[6] Senate hearings, pp. 1206, 1207.

[7] Id., pp. 1171, 1184.

[8] CONGRESSIONAL RECORD, 84th Cong., 2d sess., January 18, 1956.

[9] *DeGanay* v. *Lederer* (250 U. S. 376); *Potson* v. *City of Chicago* (304 Ill. 222, 136 N. E. 594).

commodities or articles of commerce. As was said by the Supreme Court in *Standard Oil Co. of N. J.* v. *S. Pac. Co.* (268 U. S. 146), "It is the market price which the Court looks to and nothing else, as the value of property. It is an old saying, 'The worth of a thing is the price it will bring'."

But why the word "reasonable"? This is the result of complaints against rising gas prices, seller's market, etc. It is an effort to give assurance that prices will not get out of line.

However, the purpose of the bills in prescribing reasonable market price as the standard for regulation transcends any lack of precedent for contrary treatment. It is in line with one of the main purposes behind the proposal to exempt independent producers and gatherers from utility regulation, namely, to encourage additional discoveries and interstate sales of natural gas.

These bills would exempt the independents from regulation as natural gas companies but they retain Federal Power Commission control over prices resulting from most escalation clauses in existing contracts and they retain control over prices paid by the pipelines under new and renegotiated contracts.

These controls, to a limited extent, tend to discourage the production and sale of gas in interstate commerce. But it is thought that as long as the standard is reasonable market price these controls can be justified as being in the public interest.

If, however, the standard should be the rate base method it is believed the controls would be contrary to the public interest because they would tend substantially to reduce the supply of gas moving in interstate commerce and would result in only the highest cost gas being committed to interstate markets.

The same thought is behind the provision for allowing the pipeline companies the reasonable market price of gas produced by them or purchased from an affiliate, that is, to encourage additional production, transportation and sale of natural gas in interstate commerce.

Until the Federal Power Commission decided the Panhandle Eastern case in 1954 (3 P. U. R. 3d 396), it had applied the conventional rate base method of fixing the price of gas produced by the pipelines or purchased from affiliates. In that case, however, the Commission concluded that the rate base method as historically applied to gas production was contrary to the public interest and should be abandoned.

The Commission pointed out that the rate-base method of regulation had resulted in discouraging and retarding the production of natural gas by the pipeline companies. The Commission therefore fixed Panhandle Eastern's rates upon a weighted average price formula.

The court of appeals recently held that the Commission exceeded its authority in departing from the rate-base method. These bills will authorize the Commission to fix pipeline companies' rates for gas produced by them on a basis which will encourage them to expand their gas-producing operations.

Since there is a demand for more and more gas it seems advisable to encourage discovery and development by everybody—by pipelines—as well as by independent producers.

It has already been shown in the Senate debates that in the Renegotiation Act of 1943 Congress provided that the market price rather than cost should be allowed integrated companies in extractive industries for raw materials used in the manufacture of the finished product.[10]

For example, a manufacturer of steel products must be allowed the market price of pig iron which the manufacturer produces and includes in the finished product.

3. Escalation: Extent of FPC regulations.

IN NEW OR RENEGOTIATED CONTRACTS

The control of the Federal Power Commission over prices in new or renegotiated contracts is upon the purchaser—the pipeline company. The control goes farther than escalation. It covers the original price as well. The control is exerted indirectly by providing that the prices paid under such contracts shall not be allowed to be the basis for increased rates by the pipeline company to the extent that they exceed the reasonable market price (sec. 2 (b)).

Provision is made for the Commission to determine in advance whether the price to be paid under any new or renegotiated contract is the reasonable market price of the gas (sec. 2 (c)).

As a practical matter, pipeline companies will not enter into binding contracts to purchase significant quantities of gas or renegotiate existing contracts covering significant quantities without obtaining the Commission's approval of the prices to be paid.

If they proceed without FPC approval, only the stockholders of the pipeline company can get hurt—certainly not the consumers.

The power of the Commission to determine the reasonableness of prices includes the power to reject any price provisions which are deemed contrary to the public interest. The Commission could reject any contract containing "favored nations," "commodity index," "spiral," or other types of escalation provisions and refuse to approve the proposed prices as long as such provisions remain in the contract. In fact, the Commission will have a wide latitude in respect to any contractual provision having a bearing upon prices to be paid.

By leaving the pipeline companies free to make binding contracts for the purchase of new supplies of gas and placing brakes upon the amount they can pass on to their customers, the bills provide the necessary flexibility for proper operations of the pipelines without affecting the consumers.

In many instances, the pipelines may be able to make or save money by paying prices above the reasonable market price in order to obtain additional supplies. Bear in mind that it costs little or no more to operate pipelines at capacity than at half capacity or less.

Conceivably a pipeline could double its producer price and, at the same time, reduce its unit costs substantially if by so doing it could double the volume handled through the same facilities.

There may be emergencies wherein a pipeline would be doing a humanitarian act to buy small quantities of gas in order to provide heat during extreme cold weather. And it might be willing to absorb any loss in so doing. It would be a queer provision in a statute that would make such an act a crime or even illegal.

IN EXISTING CONTRACTS

The control of the Federal Power Commission over producer prices in existing contracts is limited to escalation clauses, but the control extends to the producers as well as to the pipelines. The producers are prohibited from receiving and the pipelines are prohibited from paying more than the reasonable market price of gas under all provisions for indefinite increases, except one.

The exception is in respect to increases to reimburse the seller in whole or in part for increased taxes on the production or sale of the gas. These restrictions apply only when they are made the basis for increased pipeline rates—section 2 (d), (e). There is also excepted from FPC control increases under provisions for specific amounts at definite dates in the future—section 2 (d).

Under these provisions, when an application for rate increase filed by a pipeline company is based in whole or in part upon an increase under any escalation clause in an existing contract, except the two exempted, the Commission must determine whether the increased prices are within the reasonable market price.

If it decides that the whole or any part of the increase takes the price above the reasonable market price, the pipeline company is prohibited from paying and the producer is prohibited from receiving the sum in excess of the reasonable market price and the producer is prohibited from terminating his contract because of the enactment of these control provisions over his prices (sec. 2 (d), (e)).

There is no merit to the contention that reasonable market price is no regulation at all because reasonable market price is whatever the gas sells for.

For example: Pipeline A contracts with producer B to buy his gas at 10 cents per thousand cubic feet and to increase B's price whenever and to the extent that any other pipeline company pays a higher price in the same field.

Pipeline C buys a small quantity of gas at 25 cents per thousand cubic feet. However, neither C nor any other person will buy any more gas at that price. Lots of gas is offered but none is taken at that price. That means that 25 cents is not the market price, either reasonable or unreasonable, because supply and demand are not in balance at that price, and under this legislation B's price would not increase to 25 cents despite the plain terms of the contract.

4. Reasons for distinguishing between old and new contracts in regulatory provisions of Harris-Fulbright bills.

In the course of the debate on the Harris-Fulbright bills, it was stated by Senator PASTORE (CONGRESSIONAL RECORD, Jan. 17, 1956, pp. 675–676), that the bills provide that as to future contracts the pipeline companies can pay more than the reasonable market price, yet charge it off on a rate base up to the reasonable market price, and that in existing contracts it is provided that pipelines shall not be obligated to pay more than the reasonable market price. The Senator suggests that is a gimmick designed "to activate a market which is already artificial," and inquires if this is not so, "why not make it obligatory in existing (sic) contracts?"

The Senator goes on to suggest that under this bill the pipelines will create an artificially high market for gas and thus enhance the revenues to be obtained for their own production.

Far from these differences between old and new contracts being a gimmick there are sound reasons for them.

Under existing contracts, the pipeline companies do not have to bargain with the producers. Congress is in position to say that the pipelines shall not pay and the producers shall not receive what the contracts call for. At the same time, Congress is in position to assure against the loss of the gas committed by the contracts to interstate commerce.

In respect to new contracts, however, the producers have something to say about the terms upon which they will deliver gas to a pipeline company. The committees recognized the necessity for giving the pipelines a free hand in contracting for additional supplies of gas. Still, it was desired to protect consumers against increased gas rates due to excessive prices paid by pipelines for new gas supplies.

By making it clear that producers will get what their contracts call for, producers will readily enter into new contracts for the sale of gas. If the same rule were provided that is provided in respect to certain escalation clauses in existing contracts, producers would not know whether they would get the contract price, and therefore would be almost

[10] CONGRESSIONAL RECORD, January, 1956.

as reluctant to make such contracts as they are under present regulations.

Moreover, the public is just as well protected pricewise under the bills as written. Whatever a pipeline chooses to pay to get the gas, not more than the reasonable market price can be passed on to consumers.

Opponents of this legislation are unduly solicitous for the welfare of the pipelines under this provision of the bill. Section 2 (c) sets up a procedure for determining in advance whether the price proposed to be paid is within the reasonable market price.

If it be assumed that pipelines are run by men so incompetent as not to take advantage of the protection provided by the bills, then perhaps the pipeline should suffer the consequences. The consumer will not be hurt. The pipeline will continue to operate, if not by present management or owners, then by succeeding managements or owners, or even by a receiver if necessary to keep it operating.

But such speculation is sheer nonsense. Pipelines' managements are not stupid. They are highly capable businessmen. They will not risk their financial integrity when the means of protecting themselves are so plainly provided and are so easy to comply with.

They are not complaining. Why should others?

The suggestion that pipelines would pay high prices to producers in order to bolster the "reasonable market price" of the gas which they produce is also without basis.

The gas which the pipeline companies produce is such a small proportion of the gas which they transport and sell that the effect of paying prices which are later determined by the Federal Power Commission to be above the reasonable market price would be to sustain substantial losses. Could pipelines be expected to pay 1 cent in excess of what they need to pay on 90 percent of their volume (or 9 cents) for the possibility of being able to get 1 cent more for the other 10 percent of their volume? The odds would be 9 to 1 against them.

Mr. SCHOEPPEL. Mr. President, I now yield the floor.

The PRESIDING OFFICER. Does the Senator from Kansas yield the floor?

Mr. SCHOEPPEL. Yes.

CAMPAIGN TO PROMOTE POPULARITY OF SECRETARY BENSON AMONG FARMERS

Mr. KEFAUVER. Mr. President, yesterday the Chicago Stockyards was the scene of a childish, shameful political huckstering episode that must leave earnest, sincere members of the Republican Party—and there are many of them—red faced and angry.

Ezra Taft Benson, flew out to Chicago and visited the yards. By coincidence, there happened to be 25 or 30 newsreel and TV cameramen there, probably out strolling through the hog pens to get a breath of fresh, pure air.

Also by apparent coincidence—we are asked to believe—a buyer chanced along and Ezra sold him 1 pen of hogs for $15 per 100 pounds and a truckload, minus 1 small pig, for $15.25.

Mr. Benson then spoke into a small forest of microphones for the newsreel cameramen and, as the Associated Press reported, "Mr. Benson left, a happy man."

He had just straightened out the hog situation.

I offer the Associated Press story on the event for the RECORD.

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

[From the Washington Star of January 31, 1956]

BENSON IS SMILING AGAIN—HE GETS TOP PRICE FOR HOGS

CHICAGO.—Hogs brought a top price of $15.25 a hundred pounds at the stockyards today—thanks largely to the persuasive powers of Secretary of Agriculture Benson.

Mr. Benson, during an inspection trip, chatted with farmers and buyers. He learned yesterday's top price paid for hogs was $15.25.

Learning that today's top so far was only $15, he said he didn't want to leave before yesterday's top was reached.

Charles Tormoehlen, a buyer, chanced along, and Mr. Benson pointed to a pen of hogs and opined they were worth $15.25 a hundredweight.

Mr. Tormoehlen said $15 was about right.

A truckload of hogs came by. Mr. Tormoehlen said he liked that load.

Finally a small hog was removed from the load on the truck, and Mr. Tormoehlen bought the remaining 15 for $15.25 a hundred pounds.

Mr. Benson left, a happy man.

Mr. KEFAUVER. Last night on television a breathless world watched the great Secretary of Agriculture's performance and was duly impressed, but, I dare say, not all listeners were as impressed as Leonard Hall's hired hucksters had hoped they would be impressed.

It is still fresh in the minds of hundreds of thousands of our citizens that Mr. Benson's performances are under the direction of Braun & Co., the Safeway stores publicity house. Their employment by the Republican national chairman was first revealed by the Wall Street Journal of December 15, 1955, in an article headed "Benson Build-up: Administration Readies a Campaign To 'Sell' the Farm Secretary."

I offer the Wall Street Journal article for the RECORD at this point in my remarks.

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

BENSON BUILDUP: ADMINISTRATION READIES A CAMPAIGN TO "SELL" THE FARM SECRETARY—MERCHANDISING PLANS: CHATS WITH CONGRESSMEN, SOME COMPROMISES ON ISSUES—A STRONG PARTISAN EMERGING?

(By Lester Tanzer)

WASHINGTON.—The Eisenhower administration has decided to praise Agriculture Secretary Benson, not to bury him.

That's the key to the latest GOP strategy on the sizzling farm issue. Top administration officials believe Mr. Benson's unpopularity with many farmers results largely from strained relations with GOP legislators who won't speak out on his behalf. So a concerted effort, launched with White House blessing, will be made to "sell" the controversial farm boss to Republican lawmakers and party workers across the country.

The sales campaign has broad significance. It indicates that besides President Eisenhower, top GOP politicians such as National Chairman Leonard Hall are sticking by Mr. Benson and the spirit of his program. If the drive reduces personal opposition to the farm chief within his party, officials argue, support for his policies may grow accordingly. And the effort suggests the administration may show more willingness to compromise at least on lesser farm issues, than in the past.

PRIVATE GET-TOGETHERS

Right now, plans are quietly being laid for private, informal, get-togethers between the farm chief and GOP Congressmen next month. Mr. Benson will meet with small groups—perhaps 20 or so—roughly every third day over breakfast or lunch until he's spoken face to face with all the Republicans on Capitol Hill, according to present plans.

At these sessions, Mr. Benson will talk about his farm program, answer questions and entertain suggestions for improvements. "But mostly," says one administration political expert, "he'll get to know the boys better, and vice versa." The farm secretary may afterwards meet many Democratic lawmakers under similar conditions.

Moreover, the farm chief will also be far more accessible than in the past to legislators who want a private chat in his office. His door will be kept open to lawmakers who want to air their gripes or other views. "Congressmen may not always get what they want from him," one Benson aide puts it, "but at least they'll go away mollified."

"CANNED" INTERVIEWS, "CLIP SHEETS"

Hand in hand with the get-acquainted sessions will go a stepped-up barrage of political propaganda designed to convince the folks back home Benson's farm programs have widespread party support. Example: "Canned" interviews for local radio and television stations showing Mr. Benson answering questions put him by individual lawmakers are now under consideration by the Republican National Committee. The committee will also make wider use of farm "clip sheets," single-page compilations of articles and editorials sent out mostly to weekly newspapers in rural regions.

Rollis S. Nelson, who recently moved from the Agricuture Department to head the Republican committee's farm division, is trouble shooting in rural areas where discontent is reported high. He's just returned from a trip to Minnesota where he helped set up farm groups to counter anti-GOP feeling. The committee recently hired Braun & Co., Los Angeles public relations firm, to advise it on farm matters. Jennings Phillips, former Salt Lake City newspaperman, heads Braun's Washington setup.

Mr. Benson, some administration officials arranging the drive argue, just hasn't mended his political fences up till now. "Most Republicans, and lots of Democrats, too," claims one of these officials, "think Benson is sincerely working hard in the interests of the farmer. But they also think he's aloof and doesn't care much about their opinions."

This sentiment is echoed by a disgruntled GOP lawmaker: "Benson doesn't appreciate how the mind of an elected official works, how he's got responsibilities to his constituents back home. He's got to be more partisan, convince farmers he's working for them night and day."

BEHIND THE CAMPAIGN

The "sell Benson" drive stems, of course, from the politically explosive plight of farmers. In recent months Democrats have jumped on falling farm prices as their number one issue for the forthcoming presidential campaign, focusing their attack on Mr. Benson and avoiding direct charges against President Eisenhower.

Many Republican lawmakers, egged on by findings of this fall's Senate grassroots hearings that unearthed widespread rural disapproval of the farm chief, have gone after Mr. Benson's scalp, too. But President Eisenhower has stood firmly behind his farm secretary.

A private poll conducted by the National Committee in the Farm Belt after the President's heart attack, however, convinced party leaders something drastic had to be done. The poll showed most farmers still liked Ike,

but threatened to vote Democratic in congressional elections. So, instead of burying Mr. Benson, administration political chieftains—including the White House, the Republican National Committee, campaign committees in both Houses of Congress, and even Mr. Benson himself—set out to "sell" the farm chief to the party.

A HIT WITH POLITICOS

Although next month's private meetings with legislators are the heaviest weapons to be trundled out for the campaign, Mr. Benson has already begun to maneuver for more popularity with his GOP brethren. His recent speech before the National Committee in Chicago, in which he lashed out at the Democrats more bitterly than he's ever done before, made a big hit with the politicians. "Lots of people who thought he was an idealist came away convinced he was a strong partisan," says one GOP official.

More recently Mr. Benson hired the politically astute Jack Anderson, former Congressman from California, as his chief liaison man with Capitol Hill. Anderson, who retired from the House in 1952, is still on close terms with many legislators. He turned down top jobs in the State and Defense Departments before succumbing to Mr. Benson's employment offer.

But most important, Mr. Benson has shown more willingness to go along, at least partway, with schemes pushed by GOP politicos for putting more money in farmers' pocketbooks. He's launched an $85 million program to buy surplus pork products to help steady hog prices and is working up a "soil bank" scheme to pay farmers for shifting surplus cropland into soil-conserving grasses. Neither plan is as generous as many Republicans would like, but in the view of farm lawmakers, the programs represent a more tractable attitude on the part of Mr. Benson.

"He won't compromise on the flexible price support principle," declares a Benson aide. "But he's got an open mind on other plans for dealing with farm problems."

A BIG ASSET

With the President determined to keep Mr. Benson on his job, GOP political leaders, of course, have little choice but to do their best with him. But many Republican officials agree, as one of them puts it, "Benson is his own best salesman. His Chicago speech proved that. If he'd get around more among party members, he might wind up a big asset."

January's informal conferences with the lawmakers are designed to put him on just such display. At these meetings, a Benson adviser says, there'll likely be some "give and take" as the conferees exchange ideas on how to cope with the farm problem. This, it's expected, will draw Mr. Benson and the legislators even closer together.

"In the past," according to one top political adviser, "our men in Congress have felt since they weren't in on the conception of the administration's farm program, they shouldn't assume the responsibilities of fatherhood. But let them feel they had a share in making policy and they'll be eager to defend it next year when the Democrats start the attack."

GIVE AND TAKE

The prospect of give and take at Mr. Benson's meetings with his GOP colleagues after the President sends his farm recommendations to Congress in the state of the Union message strongly implies that Mr. Eisenhower's program won't be the last Republican word on the farm situation. The farm chief admitted as much last week after a Cabinet meeting when he expressed hope the administration's farm program would be "broadened" after it gets to Congress.

Compromise talk, of course, won't start filling the air until after initial skirmishes on Capitol Hill early next year. The Democrats, for example, are committed to an initial pitch to restore 90 percent of parity price supports on major crops instead of the flexible 75 to 90 percent range now on the books. This House-approved move isn't regarded as likely to pass the Senate and even if it does, Mr. Eisenhower will almost certainly veto it.

Once the early battles are out of the way, however, efforts will likely be made to pass some sort of compromise farm legislation. And leading GOP politicians say the Benson they're determined to sell to the party and the public will be more inclined to go along with compromises than he's ever been.

SOIL BANK SCHEME

For example, they say, Mr. Benson may agree to more generous payments to farmers under a soil bank scheme than those he's preparing to recommend to Congress. And he might go along with specific dollar limits on the amount of price support aid Uncle Sam will extend to any one farmer, or he might agree to 90 percent price props just for top-quality commodities—assuming such items aren't already included in the administration's farm program.

Another dividend Benson's political advisers hope will come out of the informal meeting with lawmakers next month: "Teams" of Republicans to defend the embattled farm boss on the floor of Congress against Democratic blasts. In the past, GOP legislators have been notably remiss in answering charges against Mr. Benson, his aids contend.

Mr. KEFAUVER. In addition to their knowledge of how the Benson shows are staged, every viewer who knows anything about farming knew that Ezra had stayed out of the stockyards—both literally and figuratively—all through September, all through October, all through November, all through December and through most of January while the hogs of hundreds of thousands of farmers were sold at $14, $13, $12, $11 and even $10 per hundred and lower.

Only after tens of thousands of farmers had been "sold down the river" and prices had begun to recover did Braun & Co. permit their hero to stride on the scene and sell 1 pen and 1 truckload of hogs to one of his packer friends for $15 and $15.25 per hundredweight. It is significant that Ezra did not go close to the cattlepens. Apparently he is not yet ready to perform a miracle on cattle prices.

I hope none of my Republican friends feel forced to take the floor and contend that the forest of microphones we saw on the TV last night just happened to be in a corner of the stockyards when Benson came by—that this was all sheer coincidence.

I hope that none will feel called upon to contend that Braun & Co., Ezra's packer friends, the newshawks, and the newsreel boys were not all tipped in advance; that this was not a staged production; an example of the Braun & Co. huckstering that farmers are to be given instead of real price support.

I call attention to this only because I think the men around President Eisenhower ought to be made conscious that this repulsive huckstering is embarrassing and not assisting the members of their party who have a bona fide concern for the farmers.

Mr. DIRKSEN. Mr. President, I do not believe the Secretary of Agriculture needs any defense from me. He has been engaged in some form of agriculture for a lifetime. The innate character of the man, and his devotion to public service and public duty, would, in my judgment, rebut every implication of the statement just made by my distinguished friend from Tennessee.

I think Ezra Benson's whole life and being, his conduct in public service, his great moral stamina, his devotion to the interest of the farmers, and his indefatigable efforts in traveling all over the country to learn at firsthand what the farmers' problems are, stamp him as a great character who needs no defense from me.

Mr. CASE of South Dakota. Mr. President, as the entire story unfolds and this inconceivable tragedy of errors is related, I think it will become evident that Mr. Benson has been more sinned against than sinning.

FREEDOM OF SMALL-BUSINESS OPERATORS

Mr. MORSE. Mr. President, today I am introducing, for appropriate reference, a bill to protect and promote the independence of small-business enterprises operating under franchises, dealerships, and lease agreements.

Our free-enterprise system requires that retailers, storekeepers, and dealers along the main streets of America be preserved as independent businessmen. The bill I am introducing today, which is a companion bill to H. R. 8395, sponsored by Representative JAMES ROOSEVELT, is designed to strengthen the antimonopoly provisions of the Clayton Act and give new and specific protections to small enterprises operating under lease agreements and franchises from large corporations.

Our Nation is dedicated to the free-enterprise system. We believe that this system can bring more goods and services to more people at cheaper prices than a regulated or monopolistic economy. We believe that the greater the individual's freedom the greater is his enterprise. This bill is designed to strengthen the freedom of the independent businessmen so as to give him and the public the full benefits of competitive capitalism.

There has been an unfortunate trend toward bigness in business and farming. Small-business men and small farmers are constantly being squeezed out in the process of constantly greater economic concentration of power. This is unhealthy for our economy and our free institutions.

Thousands of businessmen throughout the country do not possess the economic freedom of action they should have. They are held in check by fear of reprisal from the large companies whose products they sell under lease and franchise agreements. Testimony before the Senate Antimonopoly Subcommittee and the House Small Business Committee has brought to public attention the captive status of many automobile dealers and gas-station operators.

We have only to follow the proceedings of the convention now being held

in Washington by the automobile dealers of the country to learn of the great concern they feel in regard to the subject of franchise agreements.

One of my reasons for introducing the bill is that gas-station operators and car dealers in my State have presented to me, as chairman of the Subcommittee on Small Business of the Committee on Banking and Currency and as a member of the Select Committee on Small Business of the Senate, a great deal of information concerning their problems and the fears from which they suffer these days as a result of the squeeze applied by big corporations in connection with leases and franchises.

These business people operate under short-term franchise and lease agreements which make them prey to restrictive practices imposed by suppliers. Testimony already gathered by congressional committees shows that these restrictions are not normally included in franchise and dealership agreements. Instead by oral instructions or implication dealers are required to deal exclusively in certain lines of goods, take excessive quotas of goods, and other restrictive trade practices. Failure to comply with such instructions leads to nonrenewal of the short-term contracts leaving the retailer without the business he helped build and often saddling him with expensive unusable inventories.

These practices are prevalent in the gas station business. Many operators have told me this personally at stations throughout Oregon. The independents in Portland have been subjected to this kind of subtle discipline.

A related problem is the price wars which keep independent gas-station operators on the brink of going out of business. They are relatively helpless to protect themselves against bogus price cutting and a complicated system of subsidies which are not a part of their lease agreements. The public obtains illusory and temporary savings from these price wars because they eliminate competition and competition among stable businesses is the best insurance of service and fair prices. What appears to be a price advantage to the public for a temporary period usually turns into a very serious cost to the public, because customers find that eventually they must pay through the nose that much more than would have been the case if the price war had not started.

WHAT THE BILL PROVIDES

The principal provisions of the bill would protect independent dealers and lease operators from the arbitrary control which so many are subjected to today.

The bill would give greater meaning to the franchise and dealership contracts. This is done by providing that cancellation, termination, or nonrenewal, if alleged to be for a reason other than nonobservance of contract terms, would require the supplier to state the reason and prove it. What this would do is give greater standing and protections to the contracts between suppliers and dealers and encourage the making of contracts which spell out with greater precision what is required of each party.

This provision for a prima facie case is not new to the Clayton Act but follows a similar provision in section 2 where the burden is upon the seller to rebut the prima facie established where he has granted price discriminations between customers. It was felt that this prima facie provision was necessary because of the almost insurmountable burden of proof upon a dealer when the supplier may cancel or refuse to renew on arbitrary grounds.

For example, the supplier may say to a gas-station operator, "We are not renewing your lease, not because of any violation of the contract, but because we feel that you are not polite to women customers."

It is very difficult for the gas-station lessee to assume the burden of proof in a case like that. Under the bill, if the oil company contends that he has ground for canceling the lease because of a violation beyond the terms of the contract, he must assume the burden of proof.

The burden therefore is, in effect, shifted to the supplier to justify a cancellation or a refusal to renew. But the amendment specifically provides that the prima facie case does not arise where the threat or act of cancellation or refusal to renew is for reasons expressly provided for in the contract, and that even though a prima facie case is established it may be rebutted by a showing of justification or good cause. The qualification that the supplier must be engaged in a substantial amount of the trade involved is for the purpose of limiting the use of the prima facie provision to those cases where a significant amount of competition is at stake.

Section 2 of the bill amends section 4 of the Clayton Act in two respects. First, it provides that a private litigant, when he is successful in obtaining equitable relief, shall recover from the defendant his cost of suit and a reasonable attorney's fee. The present law, both to encourage private antitrust enforcement and to impose a penalty for antitrust violations, allows the successful plaintiff in an action at law to recover treble his actual damages. There is, however, no such similar encouragement to the plaintiff or penalty upon the defendant when equitable relief is granted pursuant to section 16 of the Clayton Act. While in an action at law, the plaintiff may recover threefold damages and costs of suit and a reasonable attorney's fee, in an action in equity, the plaintiff not only does not recover damages but is also forced to bear his costs of suit and attorney's fee. Under the present law, therefore, there is a great incentive to the plaintiff to ignore requests for equitable relief and to concentrate upon the recovery of damages. Thus, the unfair competition is not stopped but often continues, while in an equity action the fair competition is automatically restored.

However, both the public interest and the plaintiff's interest is often better served by injunctive relief instead of compensatory damages. If, for instance, there has been a suppression of competition, the public benefits more by a restoration of that competition than by pecuniary compensation to an individual for its suppression. Accordingly, I believe that the amendment allowing the plaintiff his costs of suit and a reasonable attorney's fee in equitable actions is consistent with and strengthens the public policy behind private antitrust enforcement as it is presently expressed in section 4 of the Clayton Act.

The second amendment in my bill to section 4 of the Clayton Act is undoubtedly more controversial. It is, however, based upon the sound principle that one of our best and most efficient means of antitrust enforcement is private antitrust enforcement. At present, however, the cost to the plaintiff of such private antitrust enforcement is so great that it has become out of the reach of the ordinary citizens harmed by antitrust violations and can only be undertaken by the wealthy and affluent plaintiff. The plaintiff's cost of suit and attorneys' fees in an antitrust action may, and often does run as high as $500,000. It takes, therefore, not only a courageous but a rich man to embark upon an antitrust case. The ordinary plaintiff, however, whether courageous or not, has no real choice whatsoever. He does not have the financial resources to bring his case to court.

To bring, therefore, private antitrust enforcement within the reach and means of all, my proposed bill amends section 4 of the Clayton Act by providing that the plaintiff may at any time ask the court to determine and certify whether his cause of action is or is not based upon probable cause. If the court does make a finding and certifies that the action is so based on probable cause, then the plaintiff, even if he should not win the final judgment, is entitled to recover from the United States his cost of suit and reasonable attorneys' fees in the event that such costs would impose undue hardship upon the plaintiff if borne by himself.

These provisions would make antitrust policing more effective by enabling private parties to institute court proceedings if they have a good case. They are not assured of financial help unless they do have a prima facie case and the Attorney General can object to the payment of costs and attorneys' fees.

Furthermore, even then it rests on the wise discretion of the judge. The judge does not have to grant the plaintiff costs, but if there is a prima facie case, and the plaintiff was justified in bringing the cause of action in the first instance, the judge may allow costs and attorneys' fees.

One of the principal present difficulties in enforcing the antitrust laws is the slowness with which the Department of Justice processes cases. In part this is due to insufficient personnel. In part it is due to the inherent slowness of individual case handling where thousands of cases must be investigated and considered. This new procedure would put suppliers on notice that private suits are more feasible, thereby making observance of the law more probable.

As Congressman ROOSEVELT pointed out when introducing this bill, it is improbable that these provisions will cost the taxpayers a great deal and they will probably cost less than if the Depart-

ment of Justice carried the full burden. The antitrust laws presently provide for private suits; this bill would bring within the reach of small-business men without sufficient funds the relief of the law.

The bill also strengthens the present law by making quite clear that the section 3 of the Clayton Act also applies to services and facilities. Attempts to monopolize and practices which restrict competition in services and facilities are just as detrimental to the public and to private initiative as the same practices in relations to products.

This bill would strengthen small business.

It would strengthen the status of contracts in franchise, dealership, and lease arrangements.

It would stabilize business relationships to prevent sharp practices that eliminate competition.

It would not subject big business to strict regulation, but only requires greater precision in reducing to express terms what suppliers require of their dealers.

This bill would provide new strength and independence to small-business operators. They need it—and so does our private enterprise system.

Mr. President, I send the bill to the desk and ask that it be appropriately referred.

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

The bill (S. 3107) for freedom of choice in trade, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on the Judiciary.

HON. FRED HILDEBRANDT

Mr. CASE of South Dakota. Mr. President, the reports from my State within the past week have carried the news of the death of the Hon. Fred Hildebrandt, a former Representative from the State of South Dakota, who died in Florida within the past week.

When I first came to the House of Representatives, in January of 1937, Fred Hildebrandt was my senior colleague in the House. He represented the First Congressional District of South Dakota, and I the Second Congressional District of that State.

It is a fact which many people find to their surprise to be a fact that at that particular time I was the only Republican member of the entire South Dakota delegation. Mr. Hildebrandt was a member of the Democratic Party, as were both Senators from South Dakota. Consequently, when I first came to the House of Representatives as the lone Republican in the South Dakota delegation and as a freshman Representative, it was a matter of great satisfaction to me that Fred Hildebrandt came to my office and to my desk and welcomed me as a member of the South Dakota delegation.

During the 2 years I served with him our relationships were of the best. He served in the House of Representatives for 6 years and performed his duties for the State of South Dakota loyally, efficiently, and considerately, and with credit to himself and to the State of South Dakota.

Professionally, before he became a Member of the House of Representatives, he was a conductor, employed by one of the major railroads in the State of South Dakota. He was proud of the fact that he was a champion of the working people of South Dakota, both on the farms and in industry. His career was marked by integrity and honor. Therefore, Mr. President, I wished to pay this very much deserved tribute to his memory on this occasion.

Mrs. Case joins with me in extending consolation to his immediate relatives and friends.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. DIRKSEN. Mr. President, I am delighted that a very distinguished lawyer occupies the chair at this time, because one observation I wish to make as one lawyer to another is that I never cease to marvel at the interpretative capacity and power of the men who occupy the benches of the country, that is, those who serve as judges.

I was in the House of Representatives when the Natural Gas Act was passed in 1938. I made inquiry of the distinguished Senator from Oklahoma [Mr. MONRONEY] because I thought he was a Member at that time. I believe I was serving my third or fourth term in the House, and, if memory serves me correctly, the Natural Gas Act was managed by a very distinguished and able Representative from California by the name of Clarence Lea, as I recall. He subsequently graced the Federal bench in California. But I have a rather vivid recollection of the deliberations on the Natural Gas Act. There was no record vote on it in the summer of 1938. I tried very hard to understand it. I have only a feeble knowledge of the English language, but I recall, and I have refreshed my memory on what is contained in the act, that section 1, subsection (b), contains this kind of language:

> The provisions of this act shall apply to transportation of natural gas—

And so forth. Then, in the latter part of the same section there is this language—

> but shall not apply to the production or gathering of natural gas.

That is what Congress wrote into the act in 1938. That was 18 years ago. It took 15 years before the highest tribunal interpreted that act and read into it an intention which I am confident no Member of the House ever read into it at the time the act was originally passed.

Of course, Mr. President, I am not insensible of the fact that in many court decisions we often find it said that congressional intent is only a fiction. I recall examining one opinion by the circuit court of appeals in which the court said that the intent of Congress is what the courts say it is. That kind of legal fiction, has been indulged, but as a former Member of the House and as a present Member of the Senate, Mr. President, I cannot subscribe to that kind of dicta. When the language was so crystal clear as it was in the Natural Gas Act I could not see how there could be a misinterpretation even on the part of the learned justices who grace our courts. As I went back and refreshed my memory of the language of the original act which became law in June of 1938, I never quite ceased to wonder how, after the lapse of years, the courts found themselves confronted with the responsibility of clarifying language which already seemed so crystal clear.

So, Mr. President, I shall simply affirm what I did in June of 1938 as a Member of the House of Representatives. I shall vote for the pending bill because I believe it to be sound and to be in the interests of the whole country.

Far be it from me to labor this issue. I think it is already threadbare in the sense that every facet of the matter has been diligently pursued. Perhaps the only useful function I can perform in indicating why I am in favor of the pending bill is to summarize the reasons which have appealed to me.

The first reason, Mr. President, why I am opposed to what looks like control in the guise of regulation is that it was never intended, in the first place, in my judgment, that the natural-gas producers and gatherers should be regulated. We can call it regulation. Sometimes we call it control. As bearing on that matter, I noticed the language in the staff report of the Federal Power Commission in the natural-gas investigation. It is referred to as docket No. G–580. The report was written by the staff of an independent regulatory agency. I believe it is fair to assume that staff members have some competence in their field. Here is what the staff report says:

> It is appropriate to point out, however, that if the Federal Power Commission or any other Federal agency were to be authorized to control arm's lengths sales by producers and gatherers, the result would be to establish Federal authority over all field and well prices for natural gas.

It is very difficult to determine where the fine distinction between regulation and control by the Federal Government begins and ends.

The staff memorandum goes on as follows:

> Control of oil as well as gas would necessarily become involved, since the production of these two resources is to a large extent inseparable. With particular reference to the present problem, it would not be practicable for the Federal Government to attempt to regulate sales of natural gas by the producers and gatherers thereof, unless it also took over from the States essential functions now performed by them relative to oil and gas conservation and the protection of correlative property rights in these resources.

That sounds pretty clear to me, Mr. President. Here is an agency of Government created by the Congress and charged with the regulatory function which indicates pretty well that the Federal authority must extend further and further if we are going to control the sale and gathering of natural gas.

I believe it is a fair assumption that the end is not yet, unless Congress rather

vigorously deals with the basic issue which is before us today. I envision—and I think it is a basically fair and reasonable assumption—that we may go farther and farther down the road of regulation and control. In my considered opinion, that would be violative of every concept I have ever had of our free system and of our free institutions.

The second reason I would assign in support of the bill is that growth in this country is inevitable. There will be a need for more and more gas. One of the problems which confronts Congress is how to preserve those intangible forces which make men risk their money, time, and effort to explore the earth in the hope that additional supplies of gas can be developed for the well-being and comfort of the people.

I recall when I changed from soft coal to gas as an instrumentality of heating in a humble home where I live in Illinois. I have some recollection of those days when we shook down the furnace, hauled out the clinkers and ashes, and dumped them in the pit. I have thought, oh, what a blessed day when all those chores went by the by, because natural gas came to my town. It is a wonderful thing.

It is not strange that in the State of Illinois today more than 300,000 families are waiting for a gas supply. Most of them have new homes which are equipped with gas furnaces, but receive no gas. I suppose the thing to do would be to get a can of red paint, paint the furnace red, and use one's imagination, if there was no gas, unless some other kind of fuel could be used. But those people are waiting for gas.

It was my privilege to present to the committee a statement by the Governor of Illinois, Hon. William G. Stratton. He obtained figures from the Illinois Commerce Commission, which are set forth on page 476 of the printed hearings. This is what the Governor of Illinois said in his statement:

> Our Illinois Commerce Commission, the regulatory body charged with overseeing utility rates, estimates that in our State at least 300,000 families, or at our family quotient of 3.7, a number of people in excess of 1 million—more than the total population of several States—are awaiting gas heat.

Whether we will it or not, people are going to heat with gas. The issue is, Where are we to get this fuel? Obviously, it comes out of the earth. Obviously, people of an exploratory bent must go forth and venture their money and spend their time in order to find new pockets, new reserves, new supplies, new wells of natural gas. It takes money. I understand the ratio of dry holes to producing wells in the oil fields in Illinois is roughly about 6 to 1. I presume that in the gas fields the producers strike 1 producing well out of 8 tries. This means they must go through the frustrating experience of spending their money and getting nothing for it. If it were not for the fact that there is a depletion allowance written into the law, plus a chance to recoup what is invested, there would be a damper upon the exploratory incentives of those commonly referred to as wildcatters, who are trying to find additional gas supplies.

But the people who have no gas today, not only in my State, but also in other States, are bound and determined to have it, if they can. Frankly the Lord having stored such an almost inexhaustible supply of fuel in the earth, a fuel which is so naturally designed for this purpose, I think in the interest of the country it ought to be made useful.

We come back, then, to the incentive of risk and adventure, which make people go forth to find the gas. If we put the heavy hand of Government on them, I wonder how long they will continue in a frame of mind to seek the storehouses of gas which nature has placed so deep in the earth, so that it can be brought forth to warm the hands, the homes, and firesides, and also to drive the wheels and spindles of industry.

I can think of nothing else except to preserve that essential incentive, I can think of nothing else except constantly to energize the instinct that is in people, and not to let the hand of control, particularly the long hand of Washington, move too deeply into the productive field.

I rather fancy that if the Court decision in the Phillips case stands unrebutted, many persons who are normally engaged in the gas-producing business will look at their bank accounts for a long time and will simply say, "It is not worth it." Then and there we shall begin to impair that vital incentive which is one of the driving, energizing forces of the whole system of free enterprise in this country.

I have said that people will continue to use natural gas. Recently I saw a figure published by the Bureau of the Census. It was estimated that in 20 years the United States will have a population, roughly, of 207 million. That would be an increase of 44 million. It is not difficult to interpret that figure in terms of families and households. Forty-four million is a great many people. It seems like one of those amorphous figures which is difficult to understand. But 44 million, if my arithmetic is correct, is equal to the population of the States of Maine, Vermont, and New Hampshire, plus the population of Rhode Island and New York, with the addition of the population of Pennsylvania and New Jersey, and then adding Maryland, and then the District of Columbia for good measure.

In that area is a population of 44 million. Provision must be made for the additional millions and for the homes and households they will establish. In that provision, of course, there must be included fuel, and gas is a fuel. So probably the best assurance those who are now without gas heat and those who will establish households in the future can have is to make certain that this vital, human, driving force of risk and adventure is not impaired by Federal control.

The next reason I would assign is that I think the natural gas industry has had a creditable record. The number of gas consumers has jumped to 21 million. That is almost a fantastic figure. Yet in all these years, if my estimate is correct, the price of natural gas has gone down instead of up. When we compare that situation with the appreciation in price of most of the other things which people buy, the record of gas prices speaks for itself. I see no evidence of gouging. I see no evidence that the gas industry has been remiss in its duty. I see no evidence that it has been trying to withhold supplies of gas in order to get a better price. I think the whole industry has been thoroughly mindful of its responsibility to the people. In my opinion, when all things are put together, the gas industry can, with great pride, say, "We have served the Nation well."

Unless, then, some impelling affirmative reason has arisen, after all the years since the Natural Gas Act was placed on the books in 1938, for putting the hand of control upon the natural gas industry, I see no reason why Congress should do so now. No such reason has been advanced.

I am a little entranced by the proposals which have been made to exempt one segment of the industry and to catch a larger segment, where it is thought there is a concentration of power. I would infer from the general history of the industry in this country that perhaps the greatest efficiency that will be found is among those who are the largest in the field.

How strange it would be for Congress to pursue so sumptuary and capricious a course. But the industry has had a splendid record, and on that basis I do not believe the contention can be sustained that the industry ought to be placed in the straitjacket of control.

The next reason I would assign in support of the bill—and I do so as a member of a political institution; I do so as a Republican—is that my party in 1952 went to the people and asked for their suffrage, asked them to vote, in support of a great candidate who serves with distinction as the President of the United States.

But we did more. Mr. President, it is often forgotten that in a national convention the platform comes first. The first thing we did in Chicago in 1952 was adopt a party agreement which is called a platform. I am still naive enough and old-fashioned enough to believe that a platform is something of a covenant with the people. If it is not, it becomes merely so much political oratory. But I shall never subscribe to that kind of premise.

We said in our platform of 1952:

> Year by year it (the Government) has sought to curb, regulate, harass, restrain, and punish. There is scarcely a phase of our economic and social life today in which Government does not attempt to interfere.
>
> Such hostility deadens initiative, discourages invention and experiment, and weakens the self-reliance indispensable to the Nation's vitality. * * *
>
> Neither small nor large business can flourish in such an atmosphere.

Mr. President, that is what my party said to the people in 1952. That was a part of the covenant we made. We said to people, "Entrust us with authority and these are the pledges we will endeavor to perform."

Here is a chance to perform that pledge, because, in my considered judgment, if we continue on the basis of the court decision, the Federal Power Com-

mission will have no choice except to follow what seems like an implied mandate of the court to move in on this facet of industry; and it will be a species of harassment and interference, and certainly it will deaden the initiative of the people who are engaged in the gas industry today.

I, for one, will not forfeit that pledge which we made in 1952. I believe in it, and I believe in keeping the heavy hand of Government off industry, unless it is indispensable to the welfare of our people. That fact has not been demonstrated.

I have heard some of the debate on the floor. I have spent a great deal of time reading the CONGRESSIONAL RECORD. It becomes a pretty laborious proceeding to go through so much that seems irrelevant to the issue before the Senate. But when all is said and done, one seeks to summarize the issue and come up against the hard core of the issue.

I say, particularly to those Members of the Senate who have the same identity as I do with the Republican Party, that we ought to be pretty mindful of our pledge, when we come to vote on the bill, and we ought to interpret it in the light of the covenant we made with the people, and be pretty sure that we are not departing from the pledge we made. So far as I am concerned I think it is essential that I carry out that pledge as best I can, and with as reasonable dispatch as I can.

Mr. President, perhaps one thing has not been mentioned in this discussion, and I supply it as an additional reason for passage of the bill. It applies to farmers. I know not what the situation is in other States, but I know what it is in the State of Illinois. The letter which was addressed to Representative PRIEST, of Tennessee, on the 8th of April 1955 is a rather illuminating letter. It appears on pages 484 and 485 of the printed hearings of the Senate Committee on Interstate and Foreign Commerce.

Mr. President, I ask unanimous consent at this time to have the letter to which I have referred printed in the RECORD at this point as a part of my remarks.

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

APRIL 8, 1955.

Hon. J. PERCY PRIEST,
Chairman, Committee on Interstate and Foreign Commerce, House Office Building, Washington, D. C.

DEAR CONGRESSMAN PRIEST: The Illinois Rural Electric Co., with headquarters at Winchester, Ill., is a rural-electrification cooperative serving the rural areas in all of Pike, Greene, Scott, and Calhoun Counties and in parts of Adams, Cass, Morgan, and Jersey Counties, Ill. The cooperative serves about 8,000 connected consumers and has about 3,000 miles of distribution and transmission lines. It is the only rural-electrification cooperative in the State of Illinois which generates all of its own electricity. It has a generating plant located at Winchester, Ill., and another at Pittsfield, Ill. All of the generating units in these 2 plants, except 2 small engines installed back in 1936, are equipped to operate on either diesel fuel or natural gas.

The cooperative has in force with Panhandle Eastern Pipe Line Co., contracts for the purchase of natural gas on a "dump load" basis at prices which are contributing substantially to low-cost power to the member-consumers of the cooperative. Since we buy "dump load" gas from Panhandle at rates that we consider fair and reasonable, we feel that we are contributing to the efficiency of the trunkline distribution of gas by making it possible for Panhandle Eastern to improve its load factor in the transportation of its gas and at the same time make it possible for Panhandle to make use of its transportation facilities at times when it has a reduced demand for gas for domestic use or other priority customers.

This cooperative has invested about $200,000 in the installation of facilities to make it possible to use natural gas in the production of electricity. Very careful engineering and cost studies were made by this cooperative before it took the step of making these investments and, furthermore, consideration was given to the provisions of the Natural Gas Act and past decisions of the Federal Power Commission to the effect that the act and the regulatory powers of the Commission should and did "not apply * * * to the production and gathering of gas." We feel that the only hope we have for the continuation of adequate supplies of natural gas at fair and reasonable prices is to have the decision of the Supreme Court in the Phillips case reversed through enactment of the Harris bill by the Commission.

We buy natural gas because of the resulting economy that helps us generate and transmit power to the rural areas at rates that the farmer can afford to pay. If supplies of natural gas are curtailed, either directly or indirectly, as a result of the court's decision in the Phillips case, this cooperative will suffer irreparable injury. The members of the board of directors of this cooperative, who come from rural areas throughout western central Illinois, have considered this whole question very carefully and very seriously and they have instructed me, as manager of the cooperative, to write to you in this matter. They have directed that I urge you and the members of your committee to give favorable consideration to the Harris bill and to press for its enactment by the 84th Congress. We request that this letter be made a part of the record of the hearing before your committee.

Very truly yours,
ILLINOIS RURAL ELECTRIC CO.,
S. R. FARIS, *Manager*.

Mr. DIRKSEN. Mr. President, the letter came from the Illinois Rural Electric Co., and is signed by Mr. S. R. Faris, the manager. Mr. Faris manages a rural electric co-op at Winchester, in Scott County, Ill., and, so far as I know, it is the only co-op which presently generates its own electric energy. To do that, the co-op buys natural gas from Panhandle Eastern Pipeline. In the letter the co-op urges support for the bill on the ground that it will contribute to the well-being of the farmers served by the co-op, because electric energy can be produced more cheaply by using gas which the co-op buys from a pipeline. The letter states, among other things, and it is worthy of repetition:

This cooperative has invested about $200-000 in the installation of facilities to make it possible to use natural gas in the production of electricity. Very careful engineering and cost studies were made by this cooperative before it took the step of making these investments and, furthermore, consideration was given to the provisions of the Natural Gas Act and past decisions of the Federal Power Commission to the effect that the act and the regulatory powers of the Commission should and did not apply * * * to the production and gathering of gas.

Mr. President, it was on the basis of what we wrote in the law that the co-op undertook the investment of the money of farmers, and probably procured a loan from the Rural Electrification Administration, an agency of the Government of the United States. The letter states that was one of the considerations which led the co-op to make that investment.

Mr. President, I know why that was a consideration. The co-op is located on the Illinois River, in the southwest central section of the State, where very fine apples are produced. It is not a coal area. I rather fancy that fuel rates there are pretty high, but the co-op is conveying electric energy to the farmers and is generating electric energy by using natural gas, so that the electricity can be used to operate cream separators, milking machines, and other instrumentalities used on the farm.

Mr. President, there probably will be other co-ops that will use gas. That probably will be true in other States of the country, and in other counties. Consequently, the farmers have an interest in the bill, and I intend to give some attention to their interest, as it has been shown so eloquently in the record before us.

Mr. President, another reason I assign for my interest and support of the pending measure is the fact that I believe it is important, at least in my State, to new industries which may want to locate there, particularly in that section of the State sometimes styled the distressed area. In perhaps 18 counties in the southern end of the State coal mines have been abandoned, jobs have been stranded, and there is perhaps a hard core of 20,000 or more persons who find it very difficult indeed to obtain employment.

There is a bill pending before the Committee on Labor and Public Welfare and another bill before the Banking and Currency Committee to deal with that very problem. The bills propose to make loans and some grants, among other provisions, in the hope that jobs can be provided.

When there is talk about attracting industry to an area of that kind, certain considerations must constantly be kept in mind. No. 1, an industry will be interested in a water supply. Is there water available? It will be interested in fuel. Is there coal available? Is there gas available? Is there fuel oil or some other fuel available? Is electric power available?

I had an experience along that line recently. One of the largest corporations in the country had been looking around for a long time, in order that it might construct a large plant in a desirable area. The company had three sites under consideration. One was in the State of my friend, the distinguished Senator from Ohio [Mr. BRICKER], one was in the great sovereign State of West Virginia, and one was in the lower end of Illinois.

I talked a good many times to the vice president of the company. I pleaded with him as best I could to build that plant in the lower end of my State. I tried to persuade him that it would do a great good for people who are in need

of jobs. But the answer finally was that there was no adequate, constant supply of power; and the plant was of the type that needed power.

Mr. President, what we can say about power, we can say about gas, because there are many plants which might locate in a given area if they thought the necessary gas was available there. But that means that there must be a supply of gas, and it means that more and more supplies must be found and must be conveyed to the areas where the industries locate.

To be perfectly fair, Mr. President, that consideration may result in that area in Illinois being deprived of having any plants located there. I can give no assurance on that point. But I do say that if there is a supply of gas and if the existence of the supply becomes an important component in the decision of the industry as to whether it will locate in that area, then I wish to be sure that every entreaty we make will not fail because such a natural resource is not available when it is wanted.

Mr. President, there is still another reason. It is an intangible; but in reading the debate which has occurred in this Chamber from time to time, it seems to me that in the public service of the country there are persons—and believe me, Mr. President, I do not demean them; I do not reflect upon their motives—who, somehow, have gotten a fixation to the effect that business is not to be trusted, that men who give direction and guidance to business are not to be trusted.

Mr. President, it is not because such suspicions were entertained that this country grew. If we study the earlier periods in the history of our country and the time when great windrows of people moved from the eastern seaboard to the West, across Ohio, across the flat lands of Illinois, across the Mississippi River, and closed the frontier on the Pacific, we find that they were men of zeal and competence who simply tried to make 2 blades of grass grow where only 1 grew before, men who tried to use their ingenuity and skill in order to design something which might make life easier or sweeter and, in thus aiding in the doing of things by their fellow men, might cause a little enrichment to accrue to themselves.

But it is most unfortunate, Mr. President, that we find constant reflections made upon the integrity of the business fraternity of the country. One cannot hear these debates or read the CONGRESSIONAL RECORD without coming to the conclusion that again and again, either expressly or by innuendo, there is a reflection upon that great fraternity of persons who have done so much to enrich and to build this Republic to its present state of well-being.

Let me say parenthetically, Mr. President, that this is a good place to inject this thought: I have said to my people at home that one of the great things about President Dwight Eisenhower is that there never has fallen from his lips, insofar as I know, an expression or a sentiment in derogation of any group or section of this country. If anyone can find any statement of his to the contrary, certainly I have never known of one. I have had many visits with President Eisenhower—at breakfast and at lunch, and I have also had business visits with him in the middle of the day. I have never heard him demean any section of the country. I have never heard him demean any group of our people, whether it be business, or labor, or agriculture.

As to whether such things have been said in other years, the record speaks so much more eloquently than I could, Mr. President, that there is no point in my even alluding to the predecessors of President Eisenhower. But it must be said, to the everlasting credit of our present President, that he always has sought to develop a whole country and one people, and never to drive the shafts of cleavage or the arrows of division among our people, in an hour when there is so much fever and hostility in the world. It must be said, to the everlasting glory of President Eisenhower, that he has constantly maintained the large perspective, and has thought of all the people.

Mr. President, are there other Senators who wish to speak at this time? I do not know how long my remarks may continue. If there are other Senators who desire to speak at this time, I shall cut short my remarks. If there are no other Senators who wish to speak, I shall visit a little while with the Senate.

Mr. LANGER. Mr. President, I expect to speak, following the remarks of the Senator from Illinois.

Mr. DIRKSEN. Then I shall be very mindful of that fact.

Mr. WILEY. Mr. President, will the Senator from Illinois yield to me, to permit me to make a brief statement?

Mr. DIRKSEN. Yes; if I may do so without losing my right to the floor.

Mr. WILEY. I ask unanimous consent to that end, Mr. President.

The PRESIDING OFFICER (Mr. THURMOND in the chair). Is there objection? Without objection, it is so ordered.

Mr. WILEY. Mr. President, both sides in the pending controversy have quoted from the Nation's newspapers in support of their respective positions. It is a fact that both sides could draw upon still more examples of conflicting opinion represented in the Nation's press.

I have in my hand several of the many newspaper editorials strongly opposing the Harris-Fulbright bill. The interesting thing about many of these editorials, and others which I have seen opposing the bill, is that they come from conservative newspapers whose devotion to the free-enterprise system is absolutely unquestioned. They come from newspapers whose opposition to socialism is absolutely unquestioned.

I have in my hand, for example, an editorial from the New York Daily News of January 23. I do not think that anyone in the United States would call the Daily News a pro-Socialist paper. But the Daily News opposes the Harris-Fulbright bill. It says:

> It seems to us that the Fulbright measure would weaken the Federal power to prevent gas monopolies.

I have also in my hand an editorial from the Glenwood (Iowa) Opinion-Tribune which begins with this lead sentence:

> One of the greatest threats to free enterprise in our United States is contained in the provisions of the so-called Fulbright bill.

I also have the text of an editorial from the Clarksburg (W. Va.) Exponent-Telegram stating:

> Those supporting the Harris-Fulbright bill have circulated much false propaganda concerning it. The fact remains, however, that it will hurt the gas business in West Virginia, and it will hurt the pocketbooks of thousands of West Virginia consumers.

Mr. President, it seems to me that these editorials should be weighed most heavily as representing the thinking judgment of clearsighted representatives of the fourth estate.

It is not merely the number of these editorials, but the quality of their thinking, which counts.

I hope, therefore, that when, on next Monday, the Senate begins to vote on this issue, it will adopt sound amendments to the Harris-Fulbright bill.

Included among such amendments should be one to scrap the absurd "reasonable market price" formula presently in the bill, and to substitute for it a utility term, a utility concept of just and reasonable price, so as to make absolutely sure that the public will not be taken for a ride, and that the producers will not get a blank check.

I ask unanimous consent that the texts of the newspaper editorials which I have assembled be printed in the RECORD.

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

[From the New York Daily News of January 23, 1956]

THE NATURAL GAS BATTLE

Roars about natural gas have been going up from the Senate for some days. Since the debate thus far has produced a good deal more heat than light, we thought the readers might like to have a fill-in on what the shouting is about.

The picture printed herewith traces the journey taken by natural gas from source to consumer. It comes out of the ground at the producer's well in Texas, Louisiana, New Mexico, Kansas, Oklahoma or California. From there it goes through a pipeline to some distant city—say New York. It is bought at the city end by a local gas company or companies, and resold to the consumer.

These three parties handling the gas—producer, pipeline owner, local company—are usually independent of one another. Each has to make money out of the gas, or pretty soon the consumer will be strictly out of luck.

OVERRULE THE SUPREME COURT?

The Natural Gas Act of 1938 made interstate pipeline owners subject to regulation by the Federal Power Commission. Independent gas producers were exempted from such regulation until 1954, when the United States Supreme Court ruled that they had to come in under the FPC. That meant chiefly that their prices for gas became subject to FPC control.

This current fight is over a bill which would pretty largely knock out the Supreme Court decision as regards independent producers.

The FPC would keep only the power to decide what was a "reasonable market price" for gas at the point where the pipeline takes over from the well. The pipelines would go

on being supervised by the FPC, and the various State public service or power commissions would continue to ride herd on prices charged by the local gas companies.

Senator J. WILLIAM FULBRIGHT, Democrat, Arkansas, is the principal backer of the bill. In his corner are most if not all of the lawmakers from the natural-gas States above listed.

Opposed are most lawmakers from States where a lot of natural gas is consumed. Among these opponents are our own two Senators, IVES and LEHMAN.

ARGUMENTS PRO AND CON

The main argument for the bill is that, if producers are hampered by Federal regulation, fewer and fewer people will go into the chancy and sometimes bankrupting game of prospecting for new gas deposits. It is asserted (truly, so far as we can make out) that natural gas well drilling sagged 11 percent in 1955 under 1954, the last year of the independent producers' freedom from FPC supervision.

Members of Congress opposing the Fulbright bill argue that its enactment would give the producers practically a blank check in regard to the prices they could charge the pipeline owners. These, it is said, would then have to hike their prices to the local companies, which in turn would be forced to soak the consumer.

Opponents of the bill toss around such figures as $60 million or $600 million, as the increase per year that they claim the Fulbright bill would slap onto the consumer. They call the bill a proposal to hand a monopoly to gas producers in six States, with gas consumers in the other States footing the cost.

Our own feeling about the fight is that both sides probably are exaggerating, but that the enemies of the Fulbright bill have the better case.

We don't care, as a rule, for Federal Government interference with private business, and think the less of it the better. But neither do we care to see the Federal Government kept from preventing formation of a monopoly in some field which the States can't oversee. It seems to us that the Fulbright measure would weaken the Federal power to prevent gas monopolies, though the bill's backers fiercely assert that it wouldn't because the FPC would still regulate prices to the pipelines.

We'd like to see this bill defeated.

(Aside to local gas distributors: Can't service be improved a bit, please, especially in the matter of pressure that rises and falls instead of remaining reasonably steady, as it should?)

[From the Glenwood (Iowa) Opinion-Tribune of December 22, 1955]

WILL YOUR GAS RATES BE HIGHER?

One of the greatest threats to free enterprise in our United States is contained in the provisions of the so-called Fulbright bill, which proposes to amend the Natural Gas Act to exempt producers of natural gas from controls designed to protect the public, and which will come before the 84th Congress of the United States when it convenes in January 1956.

Oddly enough the proponents of the bill, the Natural Gas and Oil Resources Committee and the General Gas Committee, are usually among those who most ardently support the preservation of free enterprise. But in this case, it appears that their greed for monetary gain has supplanted their commonsense in realizing what the far-reaching implications of the Fulbright bill could bring about in the future.

This newspaper believes most sincerely in free enterprise to the extent that the best government is the one who governs the least. But at the same time we are unalterably opposed to uncontrollable monopolies using their power to demand unwarranted prices from the public they serve. If public utilities were allowed to set their own rates for water, gas, and electricity without regulation by either State or Federal Governments we are afraid that rates on those products in many cases would soon rise to prohibitive heights. These excessive prices would be ample reason for those with socialistic beliefs to intensify their demands for public ownership of utilities, and soon, without stretching the imagination to any great degree, this could result in complete nationalization (Government ownership) of public utilities, railroads, petroleum industries, coal mines, etc. Communism could be at our very doorstep.

Among those apprehensive of the Fulbright bill are the distributing gas companies themselves. This distinction arises in that the Fulbright bill concerns the individuals and corporations who own the gas wells and leases in the areas where natural gas is taken from the ground. They, in turn, sell their gas to the interstate pipeline companies which transport the gas to the market areas where it is resold to distribution companies and municipalities for distribution to the ultimate consumer.

The Fulbright bill would remove all regulation of natural-gas prices from natural gas at its source wells, and the only price control would be on the gas after it had been delivered into the transportation facilities of the interstate pipelines beyond the field or fields where produced. Sales would be considered to be in interstate commerce only after transportation had commenced.

The supporters of the bill have the effrontery to claim, "If the Fulbright bill does not pass, the producers of gas will be under Federal regulation. This is a step toward socialism."

This theme has a natural appeal. What the public does not know is that if the Fulbright bill does pass, and the President permits it to become law, gas prices in the field are sure to go up—all at the expense of the consumer.

The Natural Gas Act of 1938 was designed to protect the consumer. However, the producers have always claimed they were not under the act, although the pipeline companies were. The distributing companies were, of course, under State and local regulation.

The United States Supreme Court—in the Phillips decision—has said the producers are subject to the Natural Gas Act, and are, today, under Federal regulation.

The Fulbright bill is designed to change the law and exempt the producers from Federal regulation.

All consumers of natural gas should concern themselves with this matter and write their United States Senators and their Representatives and urge them to vote against the Fulbright bill.

[From the Clarksburg (W. Va.) Exponent-Telegram of January 15, 1956]

ESCALATION CLAUSES ARE CONSIDERED AS POSSIBLE CAUSE OF PRICE HIKES—HARRIS-FULBRIGHT BILL IS OPPOSED

Hundreds of West Virginia workmen, thousands of West Virginia gas consumers, and several gas-distribution firms in the State have a great deal at stake in working for the defeat of the Harris-Fulbright bill, now pending in Congress.

In West Virginia the Hope Natural Gas Co., of Clarksburg, and various other firms have a tremendous interest in defeating the bill, which has already passed the House of Representatives, and on which action is expected soon in the United States Senate.

Principally because of escalator clauses in gas contracts, the gas producers in Texas, Oklahoma, and other States would reap the principal benefits from the proposed law. Meanwhile, the Hope Natural Gas Co. and other West Virginia firms would be forced to pay higher prices for the western gas.

Hearings on the Harris bill to amend the Natural Gas Act were held in April 1955 by the House Committee on Interstate and Foreign Commerce. The bill was passed in committee by a vote of 16 to 15, with 12 of the committee signing 4 minority reports. The bill was passed in the Senate Committee by a vote of 11 to 4, with 2 of those Senators who voted to report out the bill giving separate statements in opposition to its passage by the Senate. The Senate did not vote on the bill in 1955 and will take it up for debate and a vote during the 1956 session.

The Hope Natural Gas Co., of Clarksburg, and its thousands of consumers would be among those who would suffer soon after such a bill finally became law.

The Council of Local Gas Companies points out that during the past 10 years the field price of natural gas has skyrocketed—far faster and far higher than the Nation's cost of living. During this time the price of gas in the four main producing States of Kansas, Oklahoma, Louisiana, and Texas has more than doubled. Because of the peculiar nature of escalation clauses, these increases dislocate and raise lower preexisting contract prices.

The average field price of gas in the United States jumped from a base of 100 percent in the 1947–49 period to 220 percent in 1955. The average field price for Kansas, Oklahoma, Louisiana, and Texas gas jumped from the 100 percent base for 1947–49 to 233 percent in 1955. On the other hand, the average selling price of gas by all distributors jumped from the 100 percent base for 1947–49 to only 151 percent in 1955. Thus, it may be seen that through careful management distributors such as the Hope Natural Gas Co. have been able to absorb much of the price increase. Any future increase, however, is expected to be added on to consumer gas bills.

The Hope Natural Gas Co. and various other gas companies in West Virginia depend to a considerable degree upon the gas piped from the Western States to supply their customers. Thus, if the Harris-Fulbright measure becomes law the Hope will pay a much higher price for gas in the field and sell it at proportionately higher prices to its consumers in West Virginia and other States. The local companies can no longer absorb the midwestern price increases, and there may be many of them if Federal controls are lifted as proposed under the Harris-Fulbright bill.

The threat to the consumer is especially great, for the prices may skyrocket at unprecedented levels in the years ahead.

Contracts between producers and pipelines are for long terms, generally 15 to 20 years. Primarily to take advantage of later higher prices, producers have initiated the widespread use of escalation clauses in the contracts for sale of gas to the pipeline companies. These clauses are designed to produce automatic price increases, some of them 3 or 4 times their original starting rate.

If the Harris-Fulbright bill becomes law, gas consumers in central West Virginia undoubtedly will pay larger and larger gas bills.

By writing to their Congressmen, residents of central West Virginia may help to defeat the Harris-Fulbright bill. It is wanted by big producers in the West but it would be harmful for West Virginia gas consumers.

If the price of natural gas is increased, sales to industrial consumers probably will decrease and consequently the price paid by domestic consumers will increase. Industries may resort to using other types of fuel.

Those supporting the Harris-Fulbright bill have circulated much false propaganda concerning it. The fact remains, however, that it will hurt the gas business in West Virginia and it will hurt the pocketbooks

of thousands of West Virginia consumers. The majority of homes in central West Virginia are equipped for burning of natural gas and home-owners have many gas appliances. If natural gas prices were increased they would be forced to pay them, for they wouldn't be equipped to burn other fuels.

The Hope Natural Gas Co. is against the lifting of Federal controls, a move that would permit gas producers to increase their prices at will.

Because they would suffer financially, voters in central West Virginia should notify their United States Senators and Congressmen they are against the Harris-Fulbright bill. Act now before it is too late!

[From the Danville (Va.) Bee of January 11, 1956]

THE MENACE TO GAS USERS

The City Council has, with commendable promptitude, authorized the city gas department to join the 40 or more gas distributors in fighting the so-called Fulbright Bill now pending in Congress, which would abandon price checks on the gas production industry.

This is the people's fight against anticipated gas price increases which are sure to come if Uncle Sam takes his restraining hand off the gas producing business. At present, that hand is, so to speak, on the throttle of prices and it has been a firm but fair hand allowing the producing companies a reasonable return on their investment, and at the same time preventing the mulcting of the public under the old "the public be damned" theory.

Hundreds of people in this city have turned to gas for the heating of their homes. Many of them claim it is more satisfactory than any other form of heat, and cleaner also. But the people who went to gas did so feeling secure that the Government would continue its control of the price factor and that it would effectually checkmate profiteering.

If the Fulbright bill goes through the public will be at the mercy of the gas producers, the people who take the gas out of nature's subterranean reservoirs, and after filtering it, pump it through vast pipelines all over the country. Here, in Danville, we take the Transcontinental Pipeline-gas supply as it comes into Danville through a meter. The city buys from that company and distributes it just as it used to when Danville had its own coke gas plant, and its water, gas system.

We trust the 40 or more distributors who have banded together to fight this Federal relinquishing of price controls will succeed in defeating the Fulbright bill which is cast in the mold of special privileges to big business and the noncommitant evil of "soaking the public."

[From the Chattanooga Times of January 21, 1956]

AGAINST PUBLIC INTEREST

The Democrats in the Senate will undergo a test when the vote comes on the natural gas bill.

The Fulbright bill, a companion measure to the Harris bill which passed the House last year by a 6-vote margin (209 to 203), would end Federal regulation of prices of natural gas as supplied by producers to distributors for resale in interstate commerce. House Democrats were 136 to 86 against it. The House Republicans were 123 to 67 in favor of the measure.

Proponents of the bill in the Senate claim to have enough votes to pass it. If they do and if the House concurs in any changes made by the Senate, it is believed that President Eisenhower would sign the measure.

The Democrats, who expect to make much of the charge that the Eisenhower administration has followed a "give-away" course, will blunt that issue if they permit the passage of the natural gas bill.

Senator DOUGLAS (Democrat, of Illinois) began a speech yesterday against the measure, which he says will last 3 or 4 days. He says it is not a filibuster. Apparently he has made a thorough study of the bill. He claims that it would cost consumers of gas between $600 and $900 million.

Democrats from the States which produce natural gas, principally Texas, Arkansas, Louisiana, and Oklahoma, are sponsoring the measure in the Senate.

Senator DOUGLAS pointed out yesterday that when a consumer is hooked up to a pipeline he must keep on with it. When the rates go up he must pay them. If the producers raise their prices to the pipelines the consumers must stand the raise. Senator DOUGLAS said that 21 million families have $11 billion invested in appliances that burn natural gas. Naturally they do not want to lose that investment.

Tennessee uses natural gas but does not produce any. The defeat of the Fulbright bill would certainly be to the interest of Tennessee consumers. In the vote in the House last year, only one Tennessee Congressman, PERCY PRIEST, surprisingly enough, voted in favor of the bill. The Kentucky delegation voted solidly against it and only one member of the Virginia delegation supported it. Every Representative from New York City voted against it.

It seems to us that Senator DOUGLAS is on sound ground when he says that because the gas industry is noncompetitive, regulation is necessary to protect the public interest.

The Fulbright-Harris bill does not entirely abolish Federal supervision but says something about a "reasonable market price," and this standard was described in a minority House report as "a disguised backdoor surrender of regulatory control to the producers themselves."

Senator DOUGLAS has done a monumental job, we understand, in gathering the facts for the public. This able Senator may succeed in turning the tide against a measure which ought not to be enacted.

The bill may at least be amended in the Senate, in which case it would have to go before the House again. We feel certain that the House, which in spite of pressure by Speaker SAM RAYBURN only passed the bill by a narrow margin last year, would this time reject it.

Mr. MONRONEY. Mr. President, will the Senator from Illinois yield briefly to me?

Mr. DIRKSEN. Yes; provided I may do so without losing my right to the floor.

Mr. MONRONEY. Mr. President, I ask unanimous consent that that may be the case.

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

Mr. MONRONEY. Mr. President, I wish to state that on the other side of the Capitol, the mayor of Philadelphia and the mayor of New York City, both distinguished gentlemen, are holding press conferences regarding the natural gas bill, which now is before the Senate.

I believe that it might be significant—since it relates to the basis of their opposition to the bill—for me to call attention to our little "do-it-yourself" kit, in the form of the charts which are on display in the rear of the Chamber. They enable anyone to ascertain the breakdown of the amount which consumers pay for the natural gas used in their homes.

For instance, the chart to which I now point shows very graphically the breakdown of the total amount of $1.36 per thousand cubic feet which consumers in Philadelphia pay for the gas they use. From the chart, we find that the cost of the gas at the well is 10 cents a thousand cubic feet. That is the amount that is covered by the regulatory provisions of the bill. Including the 10 cents a thousand cubic feet cost of gas at the well, we find that the cost of the gas, when delivered at the city gate of Philadelphia, is 38 cents per thousand cubic feet. After the gas leaves the city gate of Philadelphia, the "spread" or cost of city delivery is approximately $1, which is about 3 times the cost of delivering gas in Kansas City, Cincinnati, or other cities of somewhat comparable size. So the producer receives 10 cents, while the $1 goes for the city delivery.

Mr. President, when opponents of the natural-gas bill pay to have published in various newspapers pictures of a holdup which they allege will occur in connection with this bill, if enacted, it seems a little strange to observe in the pictures that the masked holdup man is holding the $1 bills, whereas the producer receives only 10 cents—1 dime—for each 1,000 cubic feet produced. I am inclined to believe that if the holdup man were unmasked, it would be found that the dollar bills shown in the large advertisements paid for by the CIO and the Automobile Workers of America, were collected for the city delivery of natural gas in the very sections of the country for which those groups are complaining when they protest about the size of the consumer's gas bill.

Mr. President, the weapon with which to combat such high prices is in their hands; it is in the hands of their local public-utility commissions. However, if the local public utility commissions are sound asleep, and if the people of the communities do not demand proper action on the part of their local utility bodies, then I think they have a very poor case to put before the Congress.

The mayor of New York has been addressing the committee about the cost of natural gas to consumers in New York; and I expect that the floor is wet with the big crocodile tears the witnesses before the committee have shed because of their concern for the consumer. Yet, Mr. President, the cost of natural gas consumed in New York City is only 10.8 cents per thousand cubic feet at the well, and the cost of the gas when delivered at the city gate of New York is only 35.3 cents per thousand cubic feet. However, after the gas goes through the mighty canyons of Manhattan, we find that it has cost $2.07 to deliver the gas from the city gate to the burner tip.

It seems to me that it would be cheaper to deliver the gas directly to these great centers of population, where a single lateral from a street line will serve 500 or 1,000 families in apartment houses, because most of the piping must be furnished by the owners of the apartments. In the Middle West—for example, in Kansas City—where the cost is not $2.07 for city delivery, but only 30 cents, there

are miles of lines, and 500 laterals off each city main to serve 500 families.

So we have this ridiculous performance at the other end of the Capitol. They are talking about 10 cents for the raw material and a dollar for the city-delivery charge, in the case of Philadelphia, and $2.07 for the city-delivery charge for the city of New York. It seems to me that someone had better do a little homework. If there is a desire to save the consumers some real money, those interested in effecting the saving had better start working on the big red strip on the chart. We could give the gas to the pipelines, and there would be no significant reduction in the rates now being charged by the distributing utilities, which have put up so much money, and have organized so carefully to try to convince the consumer that their rate of $1.36 in Philadelphia and $2.43 in New York is caused by the producer, who gets a dime out of that rate.

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

Mr. MONRONEY. I yield.

Mr. DANIEL. I ask the Senator from Oklahoma if it is not true that in our committee it was shown that the city of New York itself is deriving taxes from the gas far in excess of what the producers receive for the same gas.

Mr. MONRONEY. The Senator from Texas has hit upon a very strong point. The city consumers pay a tax of 12.8 cents on gas for which the producer receives only 10.8 cents.

Mr. DANIEL. Am I correct in my statement that the mayor of the city of New York, who is protesting about gas prices, is representing a city which itself collects more money in consumer taxes each month than the producer gets for the gas in the first instance?

Mr. MONRONEY. The distinguished Senator is eminently correct. Furthermore, when New York City converted from artificial gas to natural gas, the saving to the Commonwealth Edison Co. was one-half the cost of the gas. The cost of manufactured gas was twice the cost of natural gas. So the cost has been reduced by one-half.

Do Senators know how much benefit the consumers have obtained? The same people in New York City whom the mayor says he is representing, consumers who use gas for heating, have received a benefit of 3 cents. Those who use gas for cooking have received a benefit of 4 cents.

So if we reduce the cost of the gas by one-half when the change is made from artificial to natural gas, and the consumers receive no significant benefit from it, certainly the distinguished mayor had better look into the economics and the profit of the distributors in his own city.

Furthermore, the profits of the Consolidated Edison Co. in New York City have been greater than the combined profits from natural gas of all the 35 largest oil companies mentioned by the distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished Senator from Minnesota [Mr. HUMPHREY] when they were discussing the profits of the 35 giant companies which were supposed to dominate natural gas production.

Furthermore, the assertion that an increase of from $600 million to $800 million in cost to the household consumer would take place if this bill is passed is ridiculous. That figure exceeds the entire cost of all the natural gas sold to residential users, both interstate and intrastate, which represented a total revenue to producers of $191 million for 1954. I fail to understand why an industry which, while unregulated, has charged a price only half a cent per thousand cubic feet more than it received in 1926, will suddenly add between $600 million and $800 million to the $191 million it received in 1954. I think that is completely unreasonable.

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

Mr. MONRONEY. I yield.

Mr. DANIEL. Will the Senator repeat the total price paid to the producers for all the gas sold in the United States?

Mr. MONRONEY. For all the gas delivered to all residential householder consumers in 1954, the producer received $191 million. Yet we are told that if the price of gas at the wellhead, which has been unregulated since the beginning of the business in 1825, is now regulated on the basis of reasonable market price, the result will be an increase of $600 million to $800 million to the consumer. There is only half a cent difference between the price in 1926 and the price today. The price in 1926 was 9.5 cents a thousand. Today the average national price is 10 cents a thousand.

It is perfectly ridiculous by running advertisements in the newspapers showing the "hold-up" man to try to scare the American people, to mislead them, and to try to convince consumers that there will be an increase in household rates of between $600 million and $800 million. That is completely ridiculous, misleading, and intentionally inspired by one of the most powerful lobbies of one of the wealthiest groups of utilities in the United States. Their profits have increased materially in the years since they acquired natural gas. Very few pennies have gone to the benefit of the consumer since the utilities have had the advantage of natural gas and its superior heating performance.

Mr. DANIEL. It seems to me that the mayors who join in the attempt to identify the proponents of the bill as robbers would do better if they went back home and looked into their own tax structure, and the charges of their own big distributing utilities. If there is any robbery of the consumers, it is being perpetrated by the distributors under city regulation. Is not that correct?

Mr. MONRONEY. The Senator is correct. If the mayors want to save the consumers some money, they should reduce the red strip shown on the chart before the Senate. That is the only way to save them any significant amount. Let them look at the city delivery charge of $1 per thousand cubic feet in Philadelphia, and $2.07 in New York City.

One would have to be blind to the facts of life regarding consumers' gas prices to miss that point, or to be misled by the well propagandized idea that the high price paid for natural gas goes to the producer. Look at the profits of the giant utility companies, which today are sending out with the consumer's gas bill—and he is indeed their captive customer—leaflets urging the defeat of the pending bill. The utilities are saying to the consumer, "Keep your gas rate low." At the same time the consumer in Philadelphia is beng charged $1.00 a thousand cubic feet for city delivery, and for the same service the consumer in New York City is being charged $2.07.

No wonder the distributing companies have a captive audience. Their rates are so high that they have a ready-made audience for any kind of propaganda.

But we are finding a different set of fingerprints on the gun—if it is a hold-up gun—from those of the producer. The distributors are now reaping windfall profits by the millions, and are giving the consumer a 2-cent tip.

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

Mr. MONRONEY. I yield.

Mr. JOHNSON of Texas. My friend from Oklahoma may remember that during the period of the 1930's it was popular to attack the utilities. They were served up almost every morning for breakfast. But it seems to me that now, in the year 1956, some of the same folks can act in cahoots with the same utility distributing systems, and feel that they are on the side of the angels, and that every one who disagrees with them is a robber. Does not the Senator believe that the branch which needs the greatest scrutiny, so far as the gas consumer is concerned, is the distributing utility?

Mr. MONRONEY. The statistics prove it. The facts show it. It seems to me that some of the liberals who lead the fight against the utility combines are today worshipping at the shrine of the utilities, unknowingly. They are being duped into thinking that St. Insull should be the patron saint of all the liberals because nothing happened under Insull that approaches the enormous profits and exorbitant spreads now being charged by utilities, who had hopelessly obsolete, near-bankrupt artificial gas systems before they got into the big money when they converted to natural gas and were able to double their output.

Mr. LANGER. Mr. President, I ask for the regular order.

Mr. JOHNSON of Texas. To say the least, it is extremely interesting to observe the new-found friends of the heirs of Sam Insull.

Mr. MONRONEY. I thank my distinguished majority leader.

Mr. LANGER. Mr. President, I ask for the regular order.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The Senator from Illinois has the floor.

Mr. DIRKSEN. Mr. President, quite some time ago, when I was using some of my own time, I believe I was discussing the gas bill.

At this point I wish to interject the suggestion that I feel a sense of deep distress that the Democrat mayor of a great metropolitan center like Philadelphia, or the Democrat mayor of a great metropolitan center in the Empire State like New York City, should come here, in the

form of a writing in a newspaper, and refer to his Democrat colleagues in the Senate as robbers. There is something thoroughly ungracious about it. I am doubly distressed by these divisive forces that are creeping in.

Mr. President, if I can return to where I left off to yield some time ago, I said something about the efforts of the President of the United States constantly to bring about a fellowship and a harmony and an atmosphere in the country which would indicate to all the world that we were not a divided people.

That sentiment would not be complete if I did not add to it by saying that in a sense that brings to mind the experience of Ezekiel, one of the minor prophets of the Old Testament. The Lord told Ezekiel to go out to the valley of bones and there address himself to the bones. As the Book relates, there was a great clatter as the bones came together. After awhile the bones became full-fashioned and clothed with flesh, but they did not live.

Then the Lord told Ezekiel to speak to the wind. Ezekiel did. In that way life was breathed into those great hosts.

As I recall, the Book relates that the Lord said he would make them a people once more. The Lord did not say two people, but a people.

I am delighted that the Chief Executive of our country has never departed from that concept, and is forever devoting himself to the business of spiritually and in every other way unifying the United States of America as a people.

Mr. President, there is not much more that I need offer in support of the position I take on the pending bill. I should like to insert as a part of my remarks a letter written by the Illinois Chamber of Commerce under the signature of Mr. Louis Ratzesberger, Jr., president. It is dated January 23, 1956.

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

ILLINOIS STATE CHAMBER
OF COMMERCE,
Chicago, January 23, 1956.

DEAR MEMBER: As this is written, the United States Senate is debating a bill that will vitally affect the principle of competition in our American economy. The measure is the Fulbright bill (S. 1853) on natural-gas production, one of the most important issues confronting Congress. The Fulbright bill is a companion measure to the Harris bill (H. R. 6645) which passed the House last year.

At the time the Harris bill was under House consideration the Illinois State chamber sent its members a booklet, End Federal Control of Natural Gas Production, briefly analyzing the basic issues involved in this important question. The chamber supports the remedial legislation provided for in the Harris-Fulbright bills because it feels they would restore competitive enterprise in natural-gas production, assure continuation of adequate reserves, and prevent extension of Federal regulations over natural resources and commodities.

The Fulbright bill, like the Harris bill, would remove independent producers of natural gas from the burden of utility controls imposed by a Supreme Court decision. But both measures also provide protection for the consumers of natural gas against an unreasonable market price.

Whether remedial legislation is or is not passed, the producer's prices for gas sold in interstate commerce will be under control. The difference is this, and it is an important one: If this legislation is not passed, the present direct controls will continue to stifle enterprise. This already has been demonstrated in the reduction in gas well drilling and the cancellation of pipeline projects in the first year under present Federal control. On the other hand, corrective legislation will restore producers to freedom in all essential operations. However, their prices will be under Federal review and kept to the level of a reasonable market price. The real question is: "Should producers of natural gas be under the maximum possible control short of outright Government ownership, or should they be under the minimum controls needed to protect consumers against unreasonable rates?"

If you agree with the State chamber's position that the present Federal control of natural-gas production is a threat to our competitive system, please immediately wire or write to our Illinois Senators, EVERETT MCKINLEY DIRKSEN and PAUL H. DOUGLAS, Senate Office Building, Washington, D. C., urging their support of the Fulbright bill.

Sincerely yours,
LOUIS RATZESBERGER, Jr.,
President.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Illinois Petroleum Marketers' Association, on the 9th of March 1955, when they met in convention.

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

Whereas the Supreme Court of the United States has ruled that, under present law, the Federal Power Commission has authority to regulate prices in the production and gathering of natural gas; and

Whereas the fact that natural gas is often produced in conjunction with crude oil means that the disruption of the natural gas industry through Federal regimentation is bound to affect the marketing of other petroleum products, including gasoline and heating oil; and

Whereas such Federal regulation of natural gas represents a backward step toward Government control of private industry, with the clear danger that the principle involved here could spread to every industry and business including all branches of the oil business, leading the country down the road to nationalization of all forms of productive enterprise: Now, therefore, be it

Resolved, That the Illinois Petroleum Marketers Association in convention assembled at Peoria, Ill., this 9th day of March 1955, go on record as calling upon their State's Representatives in both Houses of the United States Congress to support corrective legislation which will relieve field prices of natural gas of unnecessary and dangerous Federal regulation; and be it further

Resolved, That the secretary of the association be instructed to forward copies of this resolution to each Senator and to each Congressman from the State of Illinois with the respectful request that they take a forthright stand in defense of American private enterprise by pledging their support to such corrective legislation.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a resolution adopted by the Illinois Oil & Gas Association on December 9, 1954.

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

The Supreme Court of the United States, in a recent decision, held that sales of natural gas by producers and gatherers to purchasers who transport the gas in interstate commerce for resale are subject to regulation by the Federal Power Commission under the terms of the Natural Gas Act.

The Federal Power Commission, as a result of such decision, has asserted control over the price at which natural gas subject to its jurisdiction may be sold by producers and gatherers, and over the production and gathering of natural gas in the field.

While there is little gas produced in the State of Illinois, there is considerable oil production and if Federal regulation of the gas industry is permitted to continue, we feel this is the final step before nationalization of the oil industry.

Our forefathers and we, ourselves, have fought to preserve the rights of the individual, and it is certainly in the interest of the entire Nation that the production and gathering of natural gas should not lie under Federal control: Now, therefore, be it

Resolved by the Illinois Oil & Gas Association in membership meeting duly assembled on December 9, 1954, That this association does hereby recommend and urge that the Congress of the United States enact at its next session, legislation that shall clearly exempt production and gathering of natural gas and the sale thereof by producers and gatherers from the jurisdiction of the Federal Power Commission; be it further

Resolved, That a copy of this resolution be sent to each Senator and Representative of the 84th Congress of the United States.

Mr. DIRKSEN. Mr. President, there is only one more word I need to say in support of the bill.

I have heard about the lobbying which has been carried on. I have heard about the lobbyists who come here to wrestle with the Members of the Senate and seek to persuade Senators to one course of action or another.

Insofar as I can recall, I have been lobbied twice on the bill. I was lobbied this afternoon at 1:30 in the Senate reception room by two very fine young men from Chicago. They belong to an organization which I do not believe I need name. They came here to urge me to vote against the bill. Senators can use their own judgment as to their institutional identity, or what group they belong to. Some time ago I was lobbied to vote against the bill by a former Member of the United States Senate. I shall not mention his name. It would not be proper to do so. He is a friend of mine. I recall he came and told me that he had a very substantial retainer from a gas company which is engaged in purveying gas at the retail level. He said that I ought to be against the bill. I said, "I am sorry. Every conviction in me dictates I ought to support the bill."

We discussed the matter at some length. That was about the end of it.

With respect to lobbies, I merely wish to say that I have been actively lobbied twice, each time to vote against the bill, not for the bill.

The Governor of the State of Illinois has stated the case pretty well. His statement will be found in the record of the hearings. I have also referred to resolutions of a great many municipalities and chambers of commerce and city councils, and others. Representing a consuming State, not a producing State, I feel that the best interests of the coun-

try and the best interests of the sovereign State of Illinois will be served if I support the bill. With that very simple statement, Mr. President, I yield the floor.

ORDER FOR RECESS UNTIL 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 11 o'clock tomorrow morning.

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

TACTICS OF COMMUNIST RUSSIA—PROGRAM OF CONFISCATING PRIVATE PROPERTY

Mr. LANGER. Mr. President, I ask that my speech may be read by the clerk.

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

The Chief Clerk read Mr. LANGER's speech, as follows:

Mr. LANGER. Mr. President, on January 29, 1951, just 5 years ago, in speaking before this body of distinguished Senators, I pointed out that the program of confiscating private enemy property during World War II was a most definite part of the Communist program for world domination. It was a long speech and therefore had to be given in two different parts. Both appeared in the CONGRESSIONAL RECORD on January 29 and February 5, 1951.

At that time, I pointed out that the Kremlin's master plan of aggression requires in all instances carefully prepared campaigns, often subtle and often indirect, many times using causes which in themselves are good for evil ends, carried out over a long period of time; plans which have as their sole purpose the weakening of the will of the free people to resist Communist aggression when the time is ripe. I pointed out that the confiscation of private property of former enemies was part of the Moscow plan and I was the first man to name Harry Dexter White, former Assistant Secretary of the Treasury, as a spy and the key figure in the Communist conspiracy. I named Harry Dexter White as a spy almost 3 years before the Attorney General, the Honorable Herbert Brownell, repeated what I said. I suggest that everyone read my charges that appeared in the CONGRESSIONAL RECORD on January 29 and February 5, 1951.

For some reason or other, the disclosures which I made in those speeches never received the publicity given to practically the same situation when the Attorney General of the United States mentioned the Harry Dexter White case on November 6, 1953, almost 3 years after my disclosures, in a speech which he made before the executive club in Chicago. I assume that the reason my disclosures made in 1951 were never properly brought to the attention of the American people is explained in the one-hundred-page handbook on The Communist Party in the United States—What It Is, How It Works. This handbook was compiled by the Internal Security Subcommittee of the Senate Committee of the Judiciary and only 4 weeks ago was released to the public. The foreword of the handbook states:

> The average American is unaware of the amount of misinformation about the Communist Party, United States of America, which appears in the public press, in books and in the utterances of public speakers.

The public press was simply silent when I made my first disclosures in 1951, when I first accused Harry Dexter White of being a Communist agent, carrying out Stalin's plans. At no time prior to that date had Harry Dexter White been publicly called a top Communist agent. At that time, it was hinted by some newspapermen that my charges were so fantastic that they were not worthy of being printed.

Louis F. Budenz, former Communist and former editor of the Daily Worker, in an article entitled "The Conspiracy of Silence" said:

> Too many American newspapers are strangely silent concerning the facts that would help us most to resist the Communist advance.

Mr. Budenz continues:

> Much of this illiteracy would have been removed long ago if the secular publications and particularly the daily press had done their duty by America and told frankly and continuously the truths about communism. The average American citizen can contribute a great deal by jogging his local newspaper, urging that it inform its readers of what is the current Communist line. There is something worse than absurd in the condition whereby our own American press in general helps in the miseducation of our citizens on the most important topic that is before us.

This is the statement of the former Communist editor of the Daily Worker. I wonder how the daily press will receive the remarks I intend to make now?

The basic difference between governments of the free world and Communist-controlled governments lies principally in one thing. In the free world the governments are dedicated to the principle of the inviolability of private property rights as the foundation stone of personal freedom and their governments are designed to create and protect equality of opportunity and a better life for all under the free-enterprise system. Communist governments are dedicated to the destruction of all private property rights and consequently all freedom, for Karl Marx, Engels, Lenin, and Stalin all taught that communism cannot succeed, nor could the Communist Party dictatorship continue to hold power, as long as the means of production are owned by individuals, and now Khrushchev preaches the same doctrine.

What did Karl Marx say in the Communist manifesto expounded in 1848? I am going to read it to you.

> Seizure or power and retention of power throughout the world by the proletariat is only a matter of time. The establishment of the dictatorship of the proletariat is inevitable. And the abolition of this state of things is called by the bourgeois, abolition of individuality and freedom, and rightly so. The abolition of bourgeois individuality, bourgeois independence and bourgeois freedom is undoubtedly aimed at. In a word, you reproach us with intending to do away with your property. Precisely so: That is just what we intend.

That is what Karl Marx wrote as being the basic philosophy, if I may use that word, of communism, and to make certain that he meant just what he said, Marx continued and I quote: "The charges against communism made from a religious, a philosophical, and generally from an ideological standpoint are not deserving of serious examination. The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeois, to centralize all instruments of production in the hands of the state."

That is the doctrine of Marx which has been followed by the Communists all over the world, right up to the present time. I say, could there be anything clearer than that? But all during World War II and long thereafter, the Communists were pictured as nice fellows, just social reformers and, in some instances, as crackpots. Is it any wonder then that the American people were fooled?

What does Stalin say in his work entitled "A Year of Great Change—1929" on the problem of Leninism, published by the Foreign Language Publishing House in 1940, in Moscow, on page 304? Stalin says:

> The last hope of the capitalists of all countries who are dreaming of restoring capitalism in the U. S. S. R.—the sacred principle of private property—is collapsing and vanishing.

Note well that Stalin says "the sacred principle of private property is collapsing and vanishing."

Other Soviet leaders preached the same doctrine. Manuilsky in a speech before the seventh congress of the Comintern entitled "Results of Socialist's Construction in the U. S. S. R.," published in pamphlet form by the Coperative Publishing Society of Foreign Workers in Moscow in 1935, page 35, reiterates the theoretical stand of the Communist Party and says as follows:

> Building classless society means overcoming the survivals of capitalism in economics and in the minds of men.

Now, lest there be those who think the policy has changed, may I quote from the publication Krasniy Flot, which means Red Fleet, published in Moscow on October 24, 1946, after the war had ended. The article is entitled "Origin and Character of the Second World War." This article was written by Stepanyan and sets out this policy even more definitely:

> War finds its origin in class society founded on private ownership by means of production. War between people will disappear only when this private ownership and the antagonistic classes are destroyed forever. So long as capitalism exists, the danger of new imperialist aggression and world wars remains.

Note the words repeated again and again. What are they? Capitalism, the "private ownership of property."

If this is not enough to convince any American that the basic conflict between communism and the nations of the free

world is the right to own private property, may I quote from Nikita Khrushchev's statement made in Burma to an enthusiastic ensemblage of Rangoon University students in which he propogated the Communist faith as published in Time magazine on December 19, 1955, when Khrushchev said as follows:

The days of capitalism in the world are approaching their end. Our system will win.

When will those guardians of American freedom, those men who operate the free press in America, begin to tell the whole story of the Communist conspiracy to destroy private property rights during World War II and after World War II? For the most part, they have been silent. These editors and publishers of the free press in America who continue to publish those attacks, mostly by syndicate writers, on Members of Congress, both Republicans and Democrats alike, who fearlessly defend American ideals and American principles against Communist ideologies and Communist doctrine, ought to begin to realize that the first thing a Communist dictatorship does when it takes over a country is to liquidate the editors and publishers of the free press and then to make the press an instrument of the Communist Party under the guise of nationalization. Too many American newspaper editors have been silent on this subject. There are some exceptions, and at this time I should like to read as part of my address an editorial which appeared in the Chicago Daily News under date of February 9, 1954, entitled "German Property," as follows:

There is evidence that American policy of confiscating the property of German nationals was written by the late Harry Dexter White, the alleged Soviet agent, while he was adviser to Treasury Secretary Morgenthau. Whether it was or not, it followed the Communist moral code and it furthered the Russian aim of weakening Germany. Some half billion dollars of enemy property was seized during and before the war. There was full justification for this, of course. It would have been unthinkable to permit these assets to further German war effort. But when the misguided policy of dismantling German industry was abandoned, in furtherance of joint defense and when we began to siphon millions into Germany to rebuild its economy, it made no sense at all to deny them the benefit of their property in this country. That practical aspect is over and above the moral consideration that never before had a government refused to return private property to individuals in an enemy state. In 1948 Congress passed the War Claims Act, providing that claims of Americans for illegal acts committed by our enemies during the war should be paid from these seized German assets. Of these claims, some 75 percent were against the Japanese. Seized Japanese assets, it should be noted, have been released to their citizen owners. In a recent speech in the Bundestag, Dr. Karl Georg Pfliederer of the Free Democratic Party, cited some of the effects of the United States policy. He noted that even the pensions of scores of Germans who fought on the United States side in the Spanish-American War have been held up. The German Embassy was sold in 1951, the proceeds going into the United States Treasury but the Governments of Brazil, Chile and even Peron's Argentina, have returned German diplomatic buildings as international custom required. The German parents of an American soldier killed in action cannot claim his $12,000 estate. The sole justification for the official United States attitude is that a peace treaty has not been signed. But in the present state of German-United States relations, it is absurd to pretend that a state of war continues. Of all the nations in the world the United States has the most reason to try to establish the principle that private property owned abroad will be treated with scrupulous honesty. We should promote that cause by dealing justly with the German claims.

Thus this editorial again points out that our policy of confiscating private property of enemy aliens follows the Communist code and also points out the necessity for reestablishing the principles of the sanctity of private property by dealing justly with the German claims.

The only thing wrong with this editorial in the Chicago Daily News is that it states:

There is evidence that American policy of confiscating the property of German nationals was written by the late Harry Dexter White, the alleged Soviet agent while he was adviser to Secretary of the Treasury Morgenthau.

I said back in 1951 that the evidence that Harry Dexter White was a top Communist conspirator for Stalin was simply overwhelming, and I did not have access to the FBI files either, as did the Attorney General.

It seems to me that our midwestern newspapers are more alert in recognizing Communist doctrine than some of the other newspapers throughout our great country. I should now like to read an editorial which appeared in the Chicago Daily Tribune on August 12, 1954, a few months before the last congressional election, entitled "Restoration of Seized German Assets":

Mr. Eisenhower has informed the West German Government that no pending legislation to return German private assets of $500 million seized in this country during and after the war has the approval of his administration. The President's position apparently insures the defeat of legislation introduced by Senator DIRKSEN for restoration of the German property. The measure has been favorably reported by the Senate Judiciary Committee. Mr. Eisenhower sent his letter to Chancellor Adenauer after the Dutch Government had strenuously protested the Dirksen bill. Its argument appears to be that if the United States were to act honorably in this matter, 18 other nations which were alined with it in an agreement on reparations reached at Paris in 1946, will be under pressure to follow our lead in disgorging. Although the State Department supports restoration, the Justice Department opposes it, contending that to give back the seized property would take millions of dollars out of the pockets of Americans and give a windfall of similar proportions to Germans. How the millions got into American pockets does not bother the Justice Department nor is it explained why it is a windfall for the victim of a robbery to get back what was taken from him. It seems to us that simple justice and morality should govern in this matter, even if there were not ample international law and treaty commitments to make it clear that restoration is the legal obligation of the United States Government. When a similar situation arose after the First World War, the late John Bassett Moore, an authority on international law, commented sarcastically, "in the original statute the function of the Alien Property Custodian was defined as that of a trustee. Subsequently, however, there came a special revelation, marvelously brilliant but perhaps not divinely inspired, of the staggering discovery that the foreign traders and manufacturers whose property had been taken over had made their investments in the United States not from ordinary motives of profit but in pursuance of a hostile design so stealthily pursued that it had never before been suspected but so deadly in its effect that the American traders and manufacturers were eventually to be engulfed in their own homes and the alien plotters left in grinning possession of the ground. Under the spell engendered by this agitating apparition, and its patriotic call to a retributive but profitable war on the manufacturers property, substantial departures were made from the principle of trusteeship." If we are bent on stealing something that belongs to others, the least we can do is not to pretend that there is virtue in the act.

I believe that most Americans will agree with the conclusions of the Chicago Tribune's editorial and with the statement put so succinctly:

How the millions got into American pockets does not bother the Justice Department nor is it explained why it is a windfall for the victim of a robbery to get back what was taken from him.

In the speech I made before the Senate in 1951, I pointed out that no man, whether he be a Christian or Jew, could ever become a hard-core Communist unless he first gave up his religion. Why? Because in the Ten Commandments given to Moses on Mount Sinai, God laid down the rules for man's conduct in relation to God, and man's relation to man. He gave men the rule regarding private property when He said, "Thou shalt not steal," and again when He said, "Thou shalt not covet thy neighbor's goods." Consequently, no man could be an adherent to the Christian or Jewish faith and be a hard-core Communist.

John Adams, that great statesman, summed up the question of the inviolability of private property rights in the following words:

The moment the idea is admitted in the society that property is not as sacred as the laws of God, and that there is not a force of law and public justice to protect it, anarchy and tyranny commence. If "Thou shalt not covet" and "Thou shalt not steal" were not Commandments of Heaven, they must be made inviolable precepts in every society before it can be civilized or made free.

I have taken this quotation from the Works of John Adams by Charles Francis Adams, volume 6, page 9.

I say it is principally because under a Communist system, where private property is not held sacred, that men are slaves and personal liberty cannot exist.

Contrast this statement of John Adams and similar statements of great American citizens, made from the days of the founding of our Republic up to the present time, with those of Stalin:

The sacred principle of private property is collapsing and vanishing.

Contrast John Adams' statement with that of Kovalov appearing in the Bolshevik, issue No. 5, 1947; on page 9, in his essay Communist Education of Workers To Overcome Survivals of Capitalism, in which he said:

Marxism and Leninism teaches that the transition from capitalism (the right to own private property) to communism may be effected only through a revolution in the political, economic, cultural, and ideoligical fields.

Now let us document the steps in the Communist conspiracy to drive from the minds of men the last vestiges of the survival of capitalism in economics, the survival of that basic principle of the inviolability of private property, the foundation stone of all freedom. Let us document these steps, going back to Moscow. It has never been done before. I intend to do just that. Let us set out the part played in this conspiracy by American traitors. Let us be honest and dispassionate in our analysis of the factors that led Congress to pass confiscatory legislation in 1948, more than 3 years after the war was over. Let us trace the program from the point of its birth right up to the present day.

During the early days of World War II, President Franklin D. Roosevelt, when he established the independent agency of the Office of Alien Property, under the Trading With the Enemy Act, acted in accordance with the best American principles and traditions, solely for the purpose of preventing the enemy from making use of the private property owned by its citizens in this country while the war was in progress. The record shows that from almost the first day of the appointment of Leo Crowley as Alien Property Custodian, the Treasury Department did everything in its power to induce President Roosevelt to place the Office of Alien Property under the direction of the Secretary of the Treasury, or, to be more specific, under the control of Harry Dexter White. President Roosevelt wanted the Office of Alien Property to remain an independent agency of government. He wanted that office to be operated in a manner consistent with the American principle of inviolability of enemy private property even during time of war.

As early as in 1951, I charged that Harry Dexter White, Assistant Secretary of the Treasury, was a Communist agent. I charged that he was the guiding spirit for the Communist conspiracy to destroy private property rights throughout the world. I pointed out that although the Morgenthau plan calling for harsh treatment of the entire German civilian population was made to look like an American plan, actually it was a plan made in Moscow, and its execution was directed by Harry Dexter White, who was intimately associated with the convicted Alger Hiss.

It is impossible for us to understand the situation we are in today without having a realization of the events which took place during the war years and immediately thereafter.

None of us knew during World War II that actually on December 15, 1941, 8 days after Pearl Harbor, the Secretary of the Treasury, Henry Morgenthau, Jr., signed the following order:

> On and after this date, Mr. Harry Dexter White, Assistant to the Secretary, will assume full responsibility for all matters with which the Treasury Department has to deal having a bearing on foreign relations. Mr. White will act as liaison between the Treasury Department and the State Department, will serve in the capacity of adviser to the Secretary on all Treasury foreign matters, and will assume responsibility for the management and operation of the stabilization fund without change in existing procedures. Mr. White will report directly to the Secretary.

This order was secret, and for years neither the Congress nor the American people knew of it. Imagine what that order did. It put Harry Dexter White above the Secretary of State, and above every American Minister and Ambassador throughout the world, because they could not conduct foreign relations without money. Every foreign country that wanted any aid had to clear through Harry Dexter White and get his approval, because every program took money, money to the extent of billions of dollars. Here was the beginning of the control of the State Department being taken over by Harry Dexter White.

Now let us see how he took over the Army and the Navy. I would now like to read from another order that was kept secret which was signed by Morgenthau on the 25th of February, 1943. None of us knew about this order until many years later. It is addressed to Harry Dexter White and reads as follows:

> I would like you to take supervision over and assume full responsibility for Treasury's participation in all economic and financial matters * * * in connection with the operations of the Army and Navy and civilian affairs in the foreign areas in which all of our Armed Forces are operating or are likely to operate.

Mr. President, I might add that, in my opinion, that the paper giving authority to Harry Dexter White on that occasion was the most important document signed during all of World War II.

This order put the entire military finances and economic policies for liberated areas throughout the world in the hands of Harry Dexter White. The first order dated December 14, 1941, took over economic matters theretofore always in the hands of our Ministers and Ambassadors, and as soon as it was signed, Harry Dexter White sent his own men, handpicked, into each American Ministry and Embassy throughout the world. The second order, dated February 25, 1943, placed all military economics under the Treasury Department under Harry Dexter White "in the foreign areas in which all of our Armed Forces are operating or are likely to operate."

I am now going to prove that these two orders were absolutely necessary if Stalin was to carry out his plan.

The record is clear that at no time did President Franklin D. Roosevelt ever have in mind the permanent confiscation of private German or Japanese assets in this country.

The first article that ever appeared, to my knowledge, relating to the confiscation of private property under the guise of reparations, was published in Moscow in October of 1943 in the magazine "War and the Working Class," but it got no publicity in the American press. Can there be any doubt that American Communists and collaborators knew all about this plan as soon as it got into print in Russia? This article was written by Eugene Varga, Soviet economist.

Now, who is Eugene Varga? For many years he had been a significant figure in Soviet affairs. In 1915 he was a resident of Hungary, where he was a university lecturer. He next appeared as a revolutionist colleague of Lenin. When Germany decided to intervene in the Russian Revolution in 1917, Varga joined Zinovieff, Radek, Lenin, Lunachrsky, and others who made that historic journey from Germany into Russia in what was a so-called sealed railroad carriage. In the February 26, 1945, issue of Newsweek magazine, under the title "What Capitalism Learned at Yalta," by Robert Moley, the author points out that "Varga's survival over all these years during which so many of the original Bolsheviks have been liquidated is evidence not only of his loyalty to the fortunes of Stalin but of his usefulness to the government."

Now, what was the publication "War and the Working Class"? It was a magazine published by Trud Publishing House. Trud and Izvestia are two of the top Communist Party newspapers in Russia, and every Communist newspaper in Russia follows their line. There is no deviation in any of them. Both are Communist Party organs, and, of course, all of the newspapers are owned by the state and controlled by the Communist Party. What is the magazine "War and the Working Class?" It was the one publication which first published top Communist policy. What did Eugene Varga say in that article appearing in the War and the Working Class, issue of October 1943? The article was on the subject of reparations, and Varga stated, first, that German slave labor would be used in Russia to reestablish railroad bridges, cities, and industrial plants; second, that when the German armies capitulate they should be sent into the Union of Soviet Socialist Republics as slave laborers; third, that they would take industrial plants and equipment out of Germany, that is reparations in kind, machine tools, factories, and, fourth, they would confiscate German private assets abroad.

Here we have the Communist plan to take from every German civilian every piece of property of every type and description that those civilians may have owned any place in the world. The real estate, businesses, stocks, bonds, savings accounts, proceeds from annuities, proceeds from life insurance policies, even the proceeds from G. I. insurance policies, proceeds from inheritances, estates, trusts, patents, copyrights, everything of value, every type of property. Varga further wrote:

> That the reparation claims of the Allies against Germany and her satellites reach approximately 800 to 1,000 billion gold rubles (100 to 500 billion gold dollars): The lion's share has to fall to the Soviet Union.

Cleverly hidden in Varga's ideas of reparation payments was the Communist basic principle, namely, to confiscate all private property of German civilians. It should be obvious to all of us after Russia's plan for Germany was published in War and the Working Class that German civilians had no private property or investments in Russia. These simply could not exist under the Soviet system. They could only exist in the free world, and Stalin wanted these confiscated to drive from the minds of men, during a time when hatred was rampant, the idea

that there was anything sacred about private property.

Part of Varga's article was first reproduced in the October 1944 issue of the American Mercury, entitled "Russia's Plan for Germany." Strangely enough, however, in the Moscow conference which was held 1 month after the appearance of this article, where our great statesman Cordell Hull was the United States delegate, not one word of the confiscation of private property was discussed or even mentioned. On November 19, 1943, Secretary of State Cordell Hull spoke before a joint session of Congress after returning from Moscow. He was the first Cabinet member ever to address the combined legislature, and he gave a report to Congress on the Moscow conference. Not once did he say that there were any discussions at the conference with reference to reparations, or that it was planned that private property of German and Japanese citizens would be permanently confiscated throughout the world, even that located in neutral countries. Of course, Secretary of State Cordell Hull's position with reference to confiscation of private property was well known in Moscow as far back as 1935, for in the American Journal of International Law, volume XXXVII, page 94, in 1943, before he went to the Moscow conference, he was quoted as follows:

> It is important from my point of view, therefore, that the United States should not depart in any degree from its traditional attitude with respect to the sanity of private property within our territory whether such property belongs to nationals of former enemy owners or to those of friendly powers. A departure from that policy and the taking over of such property except for a public purpose and coupled with the assumption of liability to make just compensation, would be fraught with disastrous results.

We now have the conflict between the Moscow policies, as set out by Varga in War and the Working Class in 1943, and the American policy as set out in the same year by Secretary of State Cordell Hull in the American Journal of International Law. Where was the American press when this story broke in Moscow in 1943? Varga's story should have been on every front page of every newspaper in the United States, but it was not. American traitors and fellow travelers immediately took up Varga's line, although the American public and the Congress of the United States were kept in ignorance; and I might add that many outstanding American citizens in the executive branch of the Government were also kept in the dark.

In Secretary Hull's report to Congress he also stated as follows:

> I went to Moscow by direction of President Roosevelt to discuss with the representatives of Great Britain and the Soviet Union some basic problems of international relations in the light of principles to which our country, under the President's leadership, has come to give widespread adherence.

Does this throw new light on why certain segments of our press and certain radio commentators set out on a deliberate plan to scuttle Cordell Hull from his position of high moral leadership in the critical point of our history?

Attacks on Cordell Hull and his policies grew in tremendous proportions during the months in 1944. In fact, on March 11, 1944, Collier's magazine published an article, written by George Crell, entitled "The War on Cordell Hull." The article begins as follows:

> Cordell Hull's popularity is now at the peak, but the drive against him is only suspended. After a cautious wait, attacks will start again, for there is no chance of a truce between the Secretary of State and the ideologists, emotionalists and fellow travelers who make up the self-styled liberal front. They want him to import his policies from abroad, putting the interests of other countries above America's, while he insists on home products, holding to the oldfashioned theory that the welfare of the United States comes first.

The article closes with these prophetic words:

> There is a war to win, with the fate of our free institutions in the balance, and yet at every step, Cordell Hull's idealism has kept pace with his realism, and compromises dictated by bitter necessities, have not entailed the surrender of any fundamental principle. Not that it matters to the muddled emotionalists, parlor pinks, fellow travelers and avowed Communists who form the self-styled liberal front. Silent today, when the Secretary of State is universally acclaimed, they will attack again when his stout affirmation of American ideals and interests conflicts with their ideologies.

So closes the article War on Cordell Hull.

Mr. President, attacks on Cordell Hull were soon to start anew, based on the false statements that Cordell Hull had no postwar policy for Germany. The truth is that as early as 1942, Secretary of State Cordell Hull set out, at the President's order, to blueprint a truly American postwar policy for Germany. He organized two groups in the State Department—a committee on political planning, and another on security—to carry out these objectives. But as it turned out, the political committee in the State Department had as one of its members Laurence Duggan, friend and confidant of Harry Dexter White and Alger Hiss, who later on were exposed as having been Communist agents. This is the same Laurence Duggan who, after being interrogated by the FBI, after he was brought into the Hiss case, died in a plunge from the window of his 16th-floor New York office just a few days after the FBI called on him. His body landed so far from the building wall that police investigators concluded that suicide or murder, and not an accident, caused his death. At the trial resulting in Hiss' conviction, Harry Dexter White is named in testimony as having been a secret member of the Communist Party, and Laurence Duggan as "in a special category of the party apparatus" maintaining a special liaison with the underground through the divorced first wife of Gerhard Eisler, former No. 1 Communist in the United States.

Can anyone doubt that Cordell Hull's plans for a truly American postwar policy for Germany were known in Moscow already in 1942 and surely in 1943, or that Moscow believed that, through pressure, Cordell Hull could be brought to accept Communist plans for Germany at the end of the Second World War?

Can there be any doubt that there was great opposition in the State Department to Cordell Hull's plans for a truly American postwar policy for Germany, and that this opposition came from the Hiss crowd, under the direction of Harry Dexter White, who, because of Morgenthau's directive of December 15, 1941, held the purse strings of the State Department?

Under Secretary of State Sumner Welles—whose proposals for the coming peace disagreed with Hull's postwar policies—was finally fired by Secretary Hull in September 1943, 1 month before Moscow's plan for postwar Germany first appeared in War and the Working Class. Sumner Welles then wrote a book entitled "Time for Decision." What did the newspapers have to say about Welles' resignation? One newspaper, the Philadelphia Inquirer stated:

> A disquieting indication of weakness on this country's diplomatic front. * * * His departure from the State Department conceivably will be received with misgivings in the Latin American countries and Moscow.

The Washington Post stated:

> To be sure, Mr. Welles was one of the hosanna boys or star gazers, as Mr. Hull stigmatizes the expositors of the four freedoms * * * but in terms of ultimate loyalties, surely no sin of disloyalty could be chalked up against Mr. Welles on that account. With much more justice Mr. Welles could return such a charge to his State Department Chief.

Columnist Drew Pearson stated that Hull and other Department of State officials were "blindly hostile to Russia."

Mr. President, if you are interested in the source of these quotations, refer to Time magazine for September 6, 1943. This was before the Moscow Conference of November 1943, after which Cordell Hull made his famous speech before a joint session of Congress. For a few weeks thereafter, Hull was acclaimed by the press as a great American; but soon the attacks had to begin again if Stalin's plans for Germany were to win out.

There had to be a laying of the groundwork, a conditioning of the people for the placing in operation of the Moscow plan for postwar Germany under the guise of being American; namely, the Morgenthau plan.

Cordell Hull had to go, but they did not succeed in getting him out in time for the second Quebec Conference held on September 11 and 12, 1944.

The conference was held during the period when the Polish patriots were fighting the German armies in Warsaw. That was at a time when the Russian offensive had already reached the Vistula. The Germans withdrew west of the Vistula on July 22 and the Russians crossed the river on the same day and the Polish patriots put forward in the direction of Warsaw. The Polish patriots decided to stage a major uprising and liberate the city. There were about 40,000 men, with reserves of food and ammunition, enough for about 10 days fighting, ready to rise. For 6 weeks the Polish liberation army fought alone. Stalin did not permit his Russian armies, which stood at the very gates of Warsaw

to fire 1 gun in her defense, but on September 10, 1944, 1 day before the beginning of the second Quebec Conference, he permitted Soviet artillery to shell the eastern outskirts of Warsaw. Stalin's timing for his Morgenthau plan, executed by traitor Harry Dexter White, was perfect, and his timing for the liquidation, under the guise of liberation, of all Polish patriots who were fighting for freedom in Warsaw was also perfect.

During this period the press carried numerous articles that the United States had no plan for postwar Germany. Cordell Hull had an American plan for postwar Germany, but it did not suit Stalin nor his agents and dupes in the United States. The Communists and fellow travelers knew that Moscow had a plan and that Moscow plan was taken to the second Quebec Conference. Now what happened in the Cabinet meeting immediately prior to the second Quebec Conference? I wish to read into the RECORD, as a part of my remarks, an article which appeared in Time magazine on October 2, 1944, about 2 weeks after the second Quebec Conference:

After a couple of days of cloudy rumors, the news broke over the weekend. The Roosevelt Cabinet was violently split, over the gravest problem now before our allied government: What to do with postwar Germany? Again there had been no real advance planning on a huge problem that had been visibly approaching for a long time. Again there had been some hasty last-minute improvisation, and the plan that was handiest and most attractive at the moment had been seized on.

The plan that had been put forward by Treasury Secretary Henry Morgenthau had roused the violent objections of Secretaries Cordell Hull and Henry Stimson. The President was said to be leaning toward the Morgenthau side. The Morgenthau plan was the first reported by the Wall Street Journal's Alfred Mike Flynn and expanded by Associated Pressman John M. Hightower. Far and away the most drastic yet proposed for the future of Germany, it was just barely above the level of "sterilize all Germans." It would reduce Germany from a prewar industrial giant to a fourth-rate nation of small farms. Its points called for (1) removal from Germany of all industrial machinery which any liberated country wants; obliteration of the rest of German industry; (2) permanent closing of all German mines if any are left after territorial changes; (3) cession of the Saar and other Rhineland industrial areas to France; cession of East Prussia to Poland; (4) breakup of all large land holdings into small farms; (5) withholding of any economic aid whatsoever to Germany; no food, clothing, or other relief supplies to be furnished to the German people; no reconstruction of railroads or factories within Germany to be permitted; (6) prolonged occupation by Russian, British, and American troops, perhaps for a generation; (7) no reparation since Germany would have nothing to pay them with and would be allowed no way to earn payments in the future.

This was indeed a Carthagian peace. But Henry Morgenthau believes that Germany must be destroyed as Carthage was. When he visited the battlefields last October, General Eisenhower showed him a booklet outlining allied military government directives to soldiers for the occupation of Germany. This was strictly a military document drafted by the War Department. Henry Morgenthau, fanatical naziphobe, was much exercised over several passages which to his mind were indications of a too lenient attitude. He lifted these passages and put them in a memorandum to the President. All sources in Washington agreed that the President was equally exercised. The meeting with Prime Minister Churchill in Quebec was imminent and he had no real plan for the management of occupied Germany. The Allies have mainly agreed only on which zones of Germany each will occupy. Hastily the President appointed a Cabinet committee to consider the problem. The committee members: Secretaries Stimson, Hull, and Morgenthau. The committee met 3 times in 3 days just before the President was forced to leave for Quebec. Messrs. Hull and Stimson strongly opposed the Morgenthau program to strip Germany. Both agreed that such a super-Versailles would only justify a future German generation in once more uniting to plan revenge. They wanted rigid controls for many years, but they wanted Germany, for centuries the economic center of middle Europe, put back on its economic feet. They only wanted to make sure that German development is not along military lines. Both emphatically agreed that they did not want to maintain a nation of haters.

Henry Morgenthau talked down in this session went ahead on his own. Suddenly Messrs. Hull and Stimson learned that Morgenthau was in Quebec. Neither Mr. Hull nor Mr. Stimson enjoy a basic Morgenthau advantage (for years Henry Morgenthau has always had Eleanor Roosevelt's ear). How the Morgenthau plan was received by the British has not been reported early this week. But London dispatches said that Foreign Secretary Anthony Eden or even Prime Minister Winston Churchill may speak soon upon the controversial subject in Parliament. Some Washington sources insisted that Foreign Secretary Eden received the Morgenthau plan with warm aproval. Others insisted that this was mere British politeness. These took the view that Mr. Eden was privately horrified at the Morgenthau plan.

There was some reason to believe that the President's personal preference for the Morgenthau plan would fade under the steady pressure of the two Cabinet officers who will actually have the most responsibility in the occupation of Germany. Furthermore, it might cost votes from those citizens who would prefer a more careful and less vindictive program for the reeducation of Germany. And finally, it was of the highest political urgency that the latest Cabinet split be mended before Candidate Dewey hammered again at the old, tired, quarrelsome men of Washington. But, said one New Deal chieftain, a White House intimate, even the airing of this plan is going to cost a lot of American lives. It is going to stiffen resistance inside Germany. We have placed a powerful weapon in the hands of Goebbels. A few hours later the Goebbels propaganda machine began grinding, shouted the German radio: "The occupation of the Reich by Americans and British would be as horrible as by the Bolsheviks; Morgenthau is outdoing Clemenceau. Clemenceau said there were 23 million Germans too many—Morgenthau wants to see 43 million Germans exterminated."

So ends the Time article.

Mr. President, it is clear that the Harry Dexter White crew and the Alger Hiss crew and the fellow conspirators had succeeded in not only scuttling the Secretary of State, Mr. Hull, but putting into effect the Moscow program as set out by Varga in "War and the Working Class" in its issue of October 1943. Let us compare the so-called Morgenthau plan now with Varga's plan.

Varga insisted on reparations in kind—Morgenthau called for removal of all industrial machinery from Germany which any liberated country wants, and obliteration of her industry. Varga wanted to break up all large land holdings in Germany into small farms. Morgenthau wanted to reduce Germany from a prewar giant to a fourth-rate nation of small farms. Varga called for the withholding of any economic aid to the civilian population in Germany after the war—Morgenthau's plan was based on withholding any economic aid whatsoever. No food, clothing or other relief was to be furnished the German people. No reconstruction of railroads or of factories in Germany was to be permitted. Varga's plan published in War and the Working Class set out a detailed plan for the occupation of Germany by the Allies and called for a 10-year period of occupation—Morgenthau's plan called for the same thing but prolonged the occupation by Russian, British, French, and American troops for perhaps as long as a generation. Varga's plan, following true Communist ideology, set forth a program under which the capitalistic nations of the world, that is, the free nations who believe in the right of private property, would confiscate all German private external assets for reparations. Of course, there were no German external assets in Communist Russia. It was known full well that it was repugnant to the American people and the American Congress to ever confiscate private property of enemy civilians. The Morgenthau plan when first publicly announced was careful not to include Varga's program for confiscation of private property of enemy civilians by the nations of the free world and, as far as reparations were concerned, the plan followed the ideas of the President of the United States who had many times stated that we could not collect reparations and would not collect reparations, so the published Morgenthau plan said "no reparations, since Germany would have nothing to pay them with and would be allowed no way to earn payments in the future."

But let us not make any mistakes about it, the White-Morgenthau plan did include confiscation of all German assets of any character whatsoever outside of Germany, but this was not made public at the time. This plan for confiscation of private properties was marked "top secret." Morgenthau himself admits in his book, Germany is our problem, that the Congress of the United States was to be tricked and the President of the United States was to be also. Only a few weeks after the second Quebec conference, Varga's plan was already outlined in War and the Working Class issue of October 1943. As detailed in an article in the American Mercury entitled "Russians Plan for Germany," just 1 year after Varga wrote it. How many people saw that article? Too few and those who did see it did not believe it; and the great American press was silent.

Let us not believe that there was no plan for confiscation of private property behind the announced Morgenthau plan. It was part and parcel of the plan, and so far as the Communist program for eventual world domination was concerned, was a most important part. As it turned

out, it actually was a part of the Morgenthau plan, although its announcement was delayed and covered up. Senate document No. 123 of the 81st Congress entitled "A Decade of American Foreign Policy" from 1941 to 1949 reports on page 502 thereof the Morgenthau plan, 1943.

The plan, under the caption "Restitution and Reparation," provided: "reparations in the form of future payments and deliveries should not be demanded. Restitution and reparation shall be effected by the transfer of existing German resources and territories, e. g.,(a) by restitution of property looted by the Germans in territories occupied by them; (b) by transfer of German territory and German private rights in industrial property situated in such territory to invaded countries and the international organization under the program of partition; (c) by the removal and distribution among devastated countries of industrial plants and equipment situated within the international zone and the North and South German States delimited in the second partition; (d) by forced German labor outside Germany; and (e) by confiscation of all German assets of any character whatsoever outside of Germany."

The publication states that the Morgenthau plan was taken to Quebec by President Roosevelt and Mr. Morgenthau in August of 1943 and there provisionally approved by President Roosevelt and Prime Minister Churchill, but Secretary Morgenthau at Harry Dexter White's advice, marked the unannounced part of the plan, namely to confiscate all German assets of any character whatsoever outside of Germany, as top secret. I charge that President Roosevelt and Cordell Hull knew nothing of it.

The Morgenthau plan was never adopted as the policy of the United States, nor issued as an official document of the United States, but can there be any doubt that it was put into effect? I intend to show hereinafter that Harry Dexter White, Frank Coe, Harold Glasser, Alger Hiss, and the Communist Party and fellow travelers in the United States worked to make that part of Stalin's plan concerning confiscation of German external assets a reality and succeed through deceit and trickery in 1948.

What a great triumph the second Quebec Conference was for Stalin. Not a single Russian official was at the conference. Stalin did not need any official representation from Russia. His stooges did his work well. He made it look as if the decisions at Quebec were those of the United States.

Our sick and ailing President, who within a few short months would be dead, was caught between the maelstrom of two conflicting forces: and the Morgenthau group, including the Communists and fellow travelers in the Treasury Department, and the Hiss followers in the State Department, who had carefully prepared the American people through the propaganda put out by the Office of War Information for a peace based on hate and revenge, to be inflicted upon the entire civilian population of a nation, won out over forces led by those great statesmen, Cordell Hull and Henry Stimson, who both insisted on a just, humane, and lasting peace.

Here we saw for the first time in the history of our country the Secretary of War being stripped of any authority with reference to post war policies, where the army which would occupy Germany would be no longer under his control, but controlled by the Treasury Department, controlled by Communist agent Harry Dexter White, and, above all, the Secretary of State being stripped of any authority, and we see substituted for them, Harry Dexter White.

Mr. President, I reiterate that during that war the entire jurisdiction was taken away from the Secretary of War and by written document, which I have quoted, was turned over to the Communist Harry Dexter White.

Of course, Stalin's victory could not be complete until Cordell Hull would be forced out of his position as Secretary of State: for the fulfillment of Stalin's plans for Germany could not take place, as Stalin well knew, if Cordell Hull were to remain as Secretary of State. Thus both the pinks and the liberals in the press, magazines and the radio again began their attacks on Cordell Hull.

This could never have happened if Franklin D. Roosevelt had been a well man, nor could it have happened except that there were very many Communist sympathizers, if not actually Communist members and agents, in high places of our Government and that there were others who in their hate unknowingly and unwittingly became tools of this conspiracy.

Was it any wonder then, that Cordell Hull, less than 3 weeks after the Second Quebec Conference on his 73d birthday on October 2, 1944, showed up at his office as usual and complained "I'm sick and I know it." Four weeks later, good, gray Cordell Hull entered the Naval Hospital at Bethesda, Md., under observation and treatment for exhaustion, and then in his letter of resignation told of his great distress as follows: "It is a tragedy to me personally." The man who had directed United States foreign affairs for 12 years, longer by 4 years than any other man in American history, was scuttled.

Who were the top men at the Second Quebec Conference? Not Mr. Hull nor Mr. Stimson, who violently protested against the Morgenthau plan, but Secretary Morgenthau, and, of course, Harry Dexter White and Alger Hiss. How did Harry Dexter White force Churchill's acceptance of the plan? Time magazine in its issue of November 23, 1953, on "The strange case of Harry Dexter White" says:

> There Morgenthau and White pushed through approval of the plan by Roosevelt and Churchill. White had taken the pains to inform Lord Cherwell, Churchill's personal assistant, that British requests for United States funds would be greeted with much greater favor if Britain approved the White-Morgenthau plan.

Here was international blackmail of the worst type. Contrast this with Harry Dexter White's action when Stalin later on wanted a $6 billion loan. White said, "We'll make it $10 billion." Thank God, Stalin did not get it.

I want to go back now to the Time magazine quote of what happened at Quebec. Time said: "when the agreements were initialed, Franklin D. Roosevelt suggested that Churchill initial the German one first and then our economic agreement that would lead to an additional loan to Great Britain, and Churchill asked 'What do you want me to do? Get on my hind legs and beg like Fala?' " Churchill signed—he had to. Otherwise he might not have gotten the six billions he needed. Churchill, who had believed that the White-Morgenthau-Moscow plan would never become a reality, reported in the latest volume of his memoirs as follows:

> With my full accord the idea of pastoralizing Germany did not survive.

But I say, it did survive, in many respects, because after Quebec came Yalta.

On December 30, 1955, just a month ago, we got another release on what happened at Yalta. Among the second batch of Yalta papers we find a memorandum written by Harry Dexter White to his chief, Henry Morgenthau. It is a memo for Secretary Morgenthau's files relating to a meeting had on September 20, 1944, 8 days after the second Quebec Conference. What does this memo written by Harry Dexter White say? It states that Secretary Morgenthau requested a meeting. For what purpose? To report to Secretaries Hull and Stimson of Secretary Morgenthau's participation at the second Quebec Conference. Where was this meeting held? The meeting was held in Secretary Hull's office. Who was with Secretary Morgenthau? Senators have guessed it. Harry Dexter White. Who else was at that meeting? Secretary Hull, Mr. Mathews, of the State Department; Secretary Stimson, and Mr. McCloy, of the War Department. White's memo reads as follows:

> Secretary Morgenthau described in some detail the sequence of developments and the highlights of the discussions that took place in Quebec in which he participated. He (Secretary Morgenthau) gave to Secretaries Hull and Stimson a copy of the memo on Germany (supposedly) initialed by Churchill and Roosevelt and described how the memo had been drafted.

Now we see for the first time that Secretaries Hull and Stimson did not even know before that time what was in the memo, although they had a pretty good idea. I suggest that the memo, initialed by the President and Mr. Churchill, contained not one word regarding the secret part of the plan to confiscate all private property of all German civilians throughout the world.

White's memo continues:

> Secretary Hull wanted to know how important decisions on Germany could be reached without participation of the Russians.

I say that the question is really a tragic joke in view of later disclosures that Harry Dexter White was a spy. Harry Dexter White must have chuckled as he put that sentence in this memo.

The Harry Dexter White memo made public on December 30, 1955, brings Mr.

John J. McCloy into the picture for the first time. The Harry Dexter White memo of the meeting with Mr. Hull and Mr. Stimson held on September 20, 1944, 8 days after the second Quebec Conference, said that Mr. McCloy was also present. This is the same Mr. John J. McCloy who later became United States High Commissioner for Germany.

I say, that it is time for Mr. John J. McCloy to come forward and tell the American people the facts—they either vindicate the good name of Cordell Hull, Secretary of State, and his chief, Henry Stimson, Secretary of War, and his own good name by saying that the copy of the memo White and Morgenthau said was initialed by Roosevelt and Churchill which they handed to him and Secretary Hull and Secretary Stimson, contained the top secret clause to confiscate all German private assets throughout the world, or not.

Mr. McCloy is now chairman of the board of the Chase-Manhattan Bank, a privately operated banking institution, owned by many thousands of Americans who are stockholders, many of them being people of limited means. Mr. McCloy knows that in Russia and in every country taken over by the Communists that the banks are what the Communists call nationalized, that is the owners, the stockholder, have their stock in the banks confiscated by the state which means the Communist Party.

Mr. McCloy has also been a director of Westinghouse Corp., Union Pacific Railroad, International Telephone & Telegraph Co. and the American Telephone & Telegraph Co., the latter having more widows as stockholders who believe in our free enterprise system in the sanctity of private property rather than a system of state ownership, than any other private enterprise in the world. He is also on the board of directors of other large private enterprises.

Mr. McCloy owes it to his stockholders to say now whether he too was fooled by Harry Dexter White in that meeting of September 20, 1944. He owes it to the American people, and I say he owes it to the people of West Germany, over whom he, as United States High Commissioner for Germany from 1949 to 1953 held such great power for such a long time those west German people who are now our partners and the partners of all the nations of the free world in our common effort to stop further Communist aggression.

After he has cleared the good names of Secretary Hull and Secretary Stimson and his own good name as well, he ought to tell the American people and this Congress, and also let the west German people know who are our partners, whether he wants these private German properties that were confiscated under Stalin's plan returned in full or not.

I am writing Mr. McCloy on this matter and at a later date hope to put his reply into the RECORD.

I think also that the Senate Judiciary Committee, investigating the operations of the Trading With the Enemy Act, might well look into the matter of what was behind Harry Dexter White's plan to indict the Chase National Bank, now the Chase-Manhattan Bank, in the early forties, and many of its officers, including Mr. Winthrop Aldrich, who was Mr. McCloy's predecessor in the bank, for alleged violations of the Trading With the Enemy Act, foreign funds control under Harry Dexter White's jurisdiction.

Harry Dexter White brought about this indictment of that bank even though Mr. Aldrich was knighted by the King of England for extraordinary services to England—I said England, not the Russian Communists—during the war.

Mr. McCloy was Assistant Secretary of War during the time of the second Quebec conference. He left the Government in November of 1945. In February of 1947 he became president of the World Bank and from 1949 to 1953 served as United States High Commissioner for Germany.

I think the Senate Judiciary Committee ought also to call Mr. Hap Flanagan, president of the Manufacturers Trust Co. of New York, and ask him whether basic American principles of the inviolability of private property from confiscation is a principle he agrees with. He is the banker for some of those Republican politicians, and I use the word "Republican" with the greatest reservation, who want to hold on to these stolen business plums, regardless of what this means in our international relations with West Germany and regardless of the fact that it is now proven beyond a shadow of a doubt that the entire confiscation policy was made by Stalin and carried out by his traitors and spies in our Government. He and his associates connected with some of these confiscated businesses want to water down those basic American principles without which personal freedom is impossible, and trade with other free nations is impossible. That leads only to further confiscation of American investments throughout the world under the guise of nationalization. Mr. Flanagan's associates do not want to return stocks and bonds and other securities owned by private German citizens which were confiscated.

Obviously if these were returned, they would lose their plums, but they will fight to hold onto these plums even though they thereby drive more nails into the coffin of our free enterprise system, the system of private capital.

Stalin said:

> The sacred principle of private property is collapsing and vanishing.

Khruschev said just last month:

> The days of capitalism in the world are aproaching their end * * * our system will win.

Now let us get back to Yalta. What did Harry Dexter White and his crowd of traitors and fellow travelers do to set the stage for worldwide confiscation of private property? The matters I am going to disclose now were kept secret for 8 years and perhaps would never have been brought to light except for the insistence of Senators and Congressmen, Republicans and Democrats alike, including myself, who, after they began investigating the record of Harry Dexter White in 1951, after I had called him a top spy, finally forced additional disclosures of Harry Dexter White's operations. But I am getting ahead of my story.

Can there be any doubt that the complete White-Morgenthau plan to confiscate private property of German citizens without compensation throughout the world, even in neutral countries, was Stalin's plan? The whole answer lies in what happened at the Yalta Conference held less than 5 months after the second Quebec Conference. The Yalta Conference was held on February 4, 1945, to the 11th of February 1945. The pressure by the Harry Dexter White crew on the State Department and the Office of Alien Property was going on during that time. At the close of the Yalta Conference a joint communique was issued. Paragraph 3 reads as follows:

> Reparation by Germany. We have considered the question of the damage caused by Germany to the Allied Nations in this war and recognized it as just that Germany be obliged to make compensation for this damage in kind to the greatest extent possible. A Commission for the Compensation of Damage will be established. The Commission will be instructed to consider the question to the extent and methods for compensating damage caused by Germany to the Allied countries. The Commission will work in Moscow.

That is the official text of the communique. There is not one word in this official text signed by the President, Churchill, and Stalin, of Stalin's plan to have the free world permanently confiscate all private property of German citizens found in the free world.

It was not until 2 years later on March 24, 1947, that the protocol of the Yalta proceedings was released under the heading "Reparations" which set out as follows:

> The following protocol has been approved:
>
> 1. Germany must pay in kind for the losses caused by her to the Allied Nations in the course of the war. Reparations are to be received in the first instance by those countries which have borne the main burden of the war, have suffered the heaviest losses and have organized victory over the enemy.
>
> 2. Reparation in kind is to be exacted from Germany in three following forms:
>
> (a) Removals within 2 years from the surrender of Germany or the cessation of organized resistance from the national wealth of Germany located in the territory of Germany herself as well as outside her territory.

Here we again have confiscation of private property. The protocol continues:

> Equipment, machine tools, ships, rolling stock, German investments abroad, shares of industrial, transport, and other enterprises in Germany, etc. These removals to be carried out chiefly for the purpose of destroying the war potential of Germany.
>
> (b) Annual deliveries of goods from current production for a period to be fixed.
>
> (c) Use of German labor.
>
> 3. For the working out on the above principles of a detailed plan for exaction of reparation from Germany, an Allied Reparations Commission will be set up in Moscow. It will consist of 3 representatives—1 from the Union of Soviet Socialist Republics, 1 from the United Kingdom, and 1 from the United States of America.

Now compare the communique above issued 2 years after Yalta with Varga's announced postwar plans for Germany appearing in the magazine War and the Working Class, in October of 1943, and

the Morgenthau plan. You will note that they are identical throughout with the exception that the first publicly announced Morgenthau plan did not include confiscation of private property, although later on it was discovered that, although unannounced at the time, it was part of the plan marked "top secret."

Whom do we see at Yalta advising the new Secretary of State, advising the President? None other than Alger Hiss as one of his personal advisers, and others of his type. The President's telephone number at the conference was No. 1. The Hiss telephone number was four. Hiss had a room adjoining the President's. Reading from the official text of the Yalta deals in 1945, although I still say they are yet incomplete and that we have not gotten the full story, we find the personal notes of Alger Hiss of all the proceedings, and in these and other notes we find even more startling references to Stalin's plan for world communism. I should not say "startling," because we should have known his plans. We find that the White-Morgenthau program was the program already set out by Varga in 1943 in War and the Working Class, and also that Stalin was principally interested in reparations for the non-Communist allies only from the standpoint that they would confiscate all private enemy property everywhere.

Here is part of the official text as released in 1955 of the second meeting on February 4, 1945, in the Lavidia Palace:

Stalin said when discussing the creation of a reparations commission that the committee could accomplish nothing unless it was given general directives from this conference.

He said he felt that the Commission composed of the representatives of the three principal allies must work on the basis that these powers which had contributed most to the common victory should be given priority in the matter of reparations." He said that "although the United States did not need machine tools she might well need raw materials which she could receive from Germany." Stalin added that "the United States would take over German property in the United States as a part of her share."

Yes, sir; Stalin wanted us to lead the way in destroying private property rights throughout the world. He needed this to drive from the minds of men, as he said, the idea that there is nothing sacred about private property. Stalin then said his man Maisky would outline Russia's plan for reparations, not for the other allies but for Russia, and here is Mr. Maisky's plan, taken from the Yalta papers published in March of 1955:

Mr. Maisky then outlined the Soviet plan for reparations for Germany. He said that the Soviet plan for reparations in kind envisaged two categories:

1. The removal from the national wealth of Germany of plants, machine tools, rolling stock, etc., to be completed within a period of 2 years after the end of hostilities.

2. Yearly payments in kind to last for 10 years. He said that in order to restore Soviet economy which had suffered so much from German aggression and to safeguard the future security of Europe, it would be necessary to reduce German heavy industry by 80 percent. (By heavy industry he meant iron and steel, electrical power and chemical industries.) Specialized industry useful only for military purposes should be 100 percent removed. In this category would fall all aviation factories, synthetic oil refineries, etc. The Soviet Government felt that with 20 percent of her heavy industry Germany would be in a position to cover the economic needs of the country. He said the list of goods to be delivered during the 10-year period could be definitely fixed later on. He further proposed that in the interests of the orderly execution of the reparations plan and for the security of Europe there should be an Anglo-Soviet-American control over German economy which would last beyond the period of the reparations payment. All German enterprises which could be utilized for war purposes should be placed under international control with representatives of the three powers sitting on the boards of such enterprises.

Note that Mr. Maisky did not say one word about Russia confiscating German private property in Russia, since none could ever have existed there. Mr. Maisky continued:

For this reason, priorities had been established according to indices: (1) The proportional contribution of any one nation to the winning of the war; (2) the material losses suffered by each nation. He said that those countries which had made the highest contribution to the war and had suffered the highest material losses would come into the first category and all others would fall into the second.

Mr. Maisky proposed that there should be set up a special reparations committee of the three governments to sit in Moscow. He concluded that the total reparations shown in withdrawals and yearly payments in kind which the Soviets required would reach a total of $10 billion. What were the Allies to get? They were to confiscate all private property of German citizens throughout the nations of the free world.

It should be obvious to any man that Stalin's plan for the free nations of the world was to confiscate private assets of German citizens throughout the world, and that he wanted this done to further drive from the minds of men the idea of the sanctity of private property, which Stalin, Lenin, Engels, and Marx said is a prerequisite to eventual state ownership of all means of production in order to establish world Communist dictatorship and, what is more important, to maintain one.

At this point, Churchill, according to the official Yalta records, showed most definitely that he was not in favor of the Moscow plan or of the misnamed Morgenthau plan, that exact blueprint of the original Moscow plan. He said:

There should be no victorious country so burdened in an economic sense as Great Britain, and that, therefore, if he could see any benefit to Great Britain in large reparations from Germany, he would favor such a course, but he very much doubted whether this was feasible.

He said that "he was haunted by the specter of a starving Germany which would present a serious problem for the Allies, since we could either say 'It serves them right' or endeavor to help them."

In the latter case, Churchill said:

Who would pay for the help?

The Prime Minister answered his own question by saying:

If you wished a horse to pull a wagon, you would at least have to give it fodder.

Marshal Stalin answered this way:

That is right, but care should be taken to see that the horse did not turn around and kick you.

That the Harry Dexter White and Alger Hiss crowd and fellow travelers had sold our sick and ailing President Roosevelt, temporarily in a moment of weakness, on a policy of confiscating private property under the guise of reparations seems clear when in reply to this last remark by Stalin, the President stated:

In the United States after the last war, the German property had been sequestered during the war and had been turned back to the German owners, but this time I will seek the necessary legislation to retain for the United States all German property in America.

Before the day was over, however, Churchill had apparently changed the President's mind, because when the subject of reparations was again discussed, the President put the question of United States reparations as follows:

We lent Germany far more than we got after the last war. That cannot happen again. We want no manpower. We do not want their machine tools or their factories. Therefore, what can we get? German stock and property in the United States? This has at present been taken over by the Alien Property Custodian. After the last war it was used as an offset against our claims in Germany. I hope to get legislation this time to take it over as a trust fund.

Note how the President was pulling away from Stalin's plan for confiscation. He said he would take over the private property as what? As a "trust fund." There is a great difference between confiscating private property and holding it in trust. President Roosevelt continued:

We must think of the future of Germany. We have always been generous through our Red Cross, but we can't guarantee the future of Germany. We don't want to kill the people.

He continued:

I envision a Germany that is self-sustaining but not starving. There will be no lending of money. Our objective is seeing that Germany will not starve in helping the Soviet get all they can in exports to former German markets.

That is what President Roosevelt said.

Here we see very definitely that the President had returned to the basic American policy of holding private property of enemy citizens inviolate against permanent confiscation.

Let us go on. Let us see what Stalin said to all of this. He said:

We must make here common decisions as the guiding lines for the Commission. The work must be done by the three parties of the Commission. We three should have first place on reparation claims as we bear the burden of the war. The United States should get German property in America. She doesn't want machine tools.

Notice how Stalin sticks to the one thing, that the United States and the rest of the nations of the free world

should confiscate all German private property.

That Churchill and Eden fought against the Stalin plan for reparations is well brought out in the official text of the Yalta deals, which shows that Churchill and Eden well knew that what was called the Morgenthau plan was actually the Moscow plan. Stalin also knew that Churchill was wise to this fact, and the following appears in the Bohlen minutes of the Seventh Plenary Meeting on February 10, 1945:

> Marshal Stalin said if the British felt that the Russians should receive no reparations at all, it would be better to say so frankly.

Stalin said that "he had heard a great deal of talk at the conference that the Russians would receive reparations in kind in the form of factories and plants but that no decision had been reached." He said "that he thought that two decisions might be taken by the conference: First, that it was agreed in principle that Germany should pay reparations; and, second, that the reparations committee to sit in Moscow should fix the amount and should take into consideration the American-Soviet proposal that there should be $20 billion of reparations, with 50 percent to the Soviet Union." Mathews minutes set forth the following:

> There followed a lengthy and at times somewhat heated discussion between Stalin and Churchill on the question of reparations. This was the only time during the conference that Stalin showed annoyance.

From Alger Hiss' notes comes the following statement by Mr. Churchill regarding Stalin's reparations demand of $20 billion:

> We were instructed by our Government not to mention figures.

It is interesting to note that the President's special assistant, Harry Hopkins, on February 10, 1945, handed the President a note which read:

> The Russians have given in so much at this conference that I don't think we should let them down. Let the British disagree if they want to and continue their disagreement at Moscow. Simply say it is all referred to the Reparations Commission with the minutes to show the British disagree about any mention of the 10 billion.

Let us see what else happened. In the Bohlen minutes of the tripartite dinner meeting on February 10, 1945, in his notes of the conversation between Stalin and Churchill at the dinner table, the following appears:

> Marshal Stalin in his conversation with Prime Minister Churchill emphasized the unsatisfactory nature of the reparations question at the conference. He said he feared to have to go back to the Soviet Union and tell the Soviet people they were not going to get any reparations because the British were opposed to it.

Stalin knew full well, as did Churchill, that the primary thing in Stalin's mind, after getting everything he wanted for Russia, was to get the United States and the other nations of the free world to endorse a policy for the destruction of private property rights throughout the world. Stalin knew that in Churchill's mind it was important that these private property rights be held inviolate, for Churchill knew that the policies of the Labor Party of England were to even confiscate English industries owned by Englishmen under the guise of "nationalization of industry," the elimination of private ownership, which is always the first step to communism, and Churchill was facing an election. The Bohlen minutes show that Churchill brought up the subject of the election in England and that Churchill said that "he didn't know whether the left or right would win, and then Churchill very cleverly stated "that he felt that Britain's opposition to communism was not based on any attachment to private property but to the old question of the individual versus the state." Of course, Churchill knew that the basic principle of communism was the destruction of private property rights, but he had to placate Stalin in some way, for he knew Stalin had read his mind. So now we have the end of the Yalta meeting, but what happened that the American people did not know about it until 8 years later, and as yet we still do not know everything that happened at Yalta?

The Yalta Conference ended on February 12, 1945. When the President returned home to the United States, it was obvious to everyone who saw him that he was a dying man. The few photographs taken of him at that time and thereafter were shocking, compared to those taken only 6 months earlier, before the second Quebec Conference. Soon we heard the news that the President was going to Warm Springs, Ga., for a rest. The surrender of the Nazis was imminent. In fact, surrender negotiations were going on in Switzerland at the time. Japan, too, had made surrender overtures.

Suddenly, on Thursday, April 12, 1945, the President died at Warm Springs, Ga., apparently alone. I ask now, Did he die from the shock of learning at Yalta, first hand, Stalin's plan for not only the control of Europe, but control of Asia, and the eventual attempt of the Communists to control the world? Did he realize we had won the war, but were losing the peace? Did he, after the Yalta Conference, perhaps for the first time, realize that many of the policies that were being followed by our Government were actually Communist policies, and that men in high places of our Government, who had the confidence of the President and who had the confidence of other Cabinet officers and the confidence of Members of Congress, Senators and Representatives, alike, were actually traitors?

President Truman took the oath of office immediately after the President's death. Before President Truman even had an opportunity to become acquainted with what actually happened at Yalta, let me show how the Harry Dexter White crowd, the Alger Hiss crowd, and the rest of the Communists and their fellow travelers, in and out of Government, worked to carry out Stalin's confiscation policy even before Stalin brought the matter up at Yalta, as pinpointed by Varga back in 1943.

What were Harry Dexter White and his boys, V. Frank Coe, and Harold Glasser, White's assistant, doing in Washington while the Yalta Conference was going on, while Hiss was advising the President? What were they doing while President Roosevelt was dying? What were they doing when President Roosevelt died and President Truman took over the leadership of our Government? We did not find out what they were doing until 8 years later, in November of 1953, when we were investigating Harry Dexter White's connection with the Office of Alien Property and his connection with the confiscation policy.

The Senate Judiciary Committee had begun work on the Harry Dexter White case after my first disclosures in 1951, but it was not until the summer and fall of 1953 that the committee started to get results. What did we find out when the committee started getting results in its investigation of Harry Dexter White's connection with the Office of Alien Property, Foreign Funds Control, and the State Department? We found letters and memoranda as follows:

The record discloses that almost 5 months before the Attorney General confirmed from FBI reports that Harry Dexter White was a spy, the chief counsel for the Senate Judiciary Committee, at my suggestion, requested the Director of the Office of Alien Property to make available all files relating to the issuance of the joint recommendation of May 30, 1945, to the President that German and Japanese interests in property be confiscated. It was only a short while thereafter that we got a reply, and what did that reply say? It is a letter from the Director of the Office of Alien Property to the committee, and reads as follows:

> We have not been able to find in the files of this office any recorded memoranda leading up to the memorandum of May 30, 1945, to which you refer, or any recorded memoranda following and relating to it.

Who was responsible for that reply? The Director of the Office of Alien Property, Mr. Dallas Townsend. Either he was covering up or others in his Department were covering up. Which was it, Mr. Townsend? Not until the Harry Dexter White case broke did the Office of Alien Property come forward with any information, and that office was under the direction of a Republican Attorney General. Were they afraid, if they came out with the truth, that maybe some Republican politicians might then lose some of these stolen business plums?

The committee sent a similar request to produce letters and memoranda to the Treasury Department, but the letters and memoranda in the Treasury Department on the subject were not made available to the Senate Judiciary Committee until November 6, 1953, 8 days after the Attorney General exposed Harry Dexter White.

A similar letter was sent to the Department of State, and officials searched their files and found only one related letter that they had received from the Treasury Department. I shall talk about that letter later on. The Treasury Department produced a series of letters and memoranda reflecting Harry Dexter White's negotiations with the Office of Alien Property and the Department of State from January 10, 1945 to

May 30, 1945. Let us remember that the Yalta Conference ended on February 12, 1945, so for weeks before the Yalta Conference, where Stalin so cleverly set out his policy that the free nations of the world should confiscate all German and Japanese private assets in the world, Harry Dexter White, Frank Coe, and Harold Glasser were urging a policy upon the State Department and the Office of Alien Property to join with them to recommend to the President that he confiscate all private property owned by enemy nationals situated in the United States. Why would they have to make such a recommendation if President Roosevelt favored confiscation? What does the final report of the subcommittee, to examine and review the Trading With the Enemy Act, say on this matter? I read from page 13 of that report:

These letters establish that Harry Dexter White, Frank Coe and Harold Glasser were the motivating forces in causing the adoption of a policy of confiscation even though contrary to the historic policy of the United States.

The record shows that on January 10, 1945, the Treasury Department began its negotiations with the Office of Alien Property and the Department of State to carry out the Harry Dexter White-Stalin policy of full confiscation, and let us remember this was a good 3½ weeks before the Yalta Conference on February 4 to 11, 1945. So here we have Harry Dexter White, Frank Coe, and Harold Glasser knowing in advance exactly what Stalin is going to say at the conference about confiscating the private properties of German civilians throughout the world.

The record shows that on January 26, 1945, the Treasury Department began its negotiations to force the Office of Alien Property to join with them in recommending irrevocable confiscation of German and Japanese private property in the United States, and what do we find further in the record which was not brought out until November 16, 1953? It is that Harry Dexter White's authority over all these special matters was confirmed by means of Treasury Order No. 50. Now let us look at the first letter the Treasury Department wrote to the Alien Property custodian on January 16, 1945, a good 3 weeks before Yalta. That letter is signed by Henry Morgenthau, but can there be any doubt that it was Harry Dexter White's letter? Now let us see exactly what it says:

It is my firm conviction that control by this Government of German and Japanese assets should be only the first step in a program for the complete and irrevocable elimination of all German and Japanese interest in such assets.

There we see the plan to destroy private property rights throughout the world. The letter continues:

Although the freezing controls administered by the Treasury Department are serving effectively to deprive many nationals of control over such assets (here comes the punchline now) I would favor immediate vesting if it were an integral part of a complete program for the final disposition of such assets in accordance with the foregoing objective.

Morgenthau continues:

However, I see little to be gained by vesting at this time if it amounts merely to a change in the type of control exercised by this Government.

What did the Harry Dexter White, Henry Morgenthau, Frank Coe, and Harold Glasser group want? As I said in 1951, Morgenthau was merely used as a stooge by these conspirators. They wanted the United States to take the lead in establishing a worldwide policy of confiscating private property. How did the Office of Alien Property reply to that letter from the Treasury Department? The Office of Alien Property still only wanted to vest, and did not want to have any permanent confiscation, at least that is what they say now, but its officials still come before Congress at this late date and still object to legislation that would return all of the private property of German citizens.

Here is the letter, dated January 31, 1945, written by Mr. Markham to the Treasury Department:

The policy of Congress as reflected in the Trading With the Enemy Act, as amended, seems to indicate that the ultimate disposition of enemy money or other property received or held by the Alien Property Custodian is a matter for Congress to determine after the end of the war. Congress expressly reserved such disposition by section 12 of the act and the history of returns after the last war illustrates congressional insistence on exclusive exercise of this prerogative.

Mr. Markham took the correct position that Congress had the sole right to determine the disposition of private enemy property, and his letter states further:

In order to enable Congress to act in a concerted fashion with respect to all enemy property, in whatever direction and by whatever means it may ultimately decide to act, I believe it is of the utmost importance that all such property be under a single jurisdiction and in a single legal status with title thereto lodged in the United States.

On February 19, 1945, the Treasury Department replied to this letter as follows:

I have your letter of January 31, 1945, with further reference to the vesting of all German and Japanese assets in the United States. I am happy to note that you share my conviction that German and Japanese property interests in this country should be completely and irrevocably eliminated and that you view the proposed vesting of the pertinent assets under Treasury control as only the first phase of an overall governmental program to accomplish this objective. Accordingly, I have asked Mr. Frank Coe to arrange a meeting with you to explore this matter further.

What does the Senate committee report say with reference to this Morgenthau-White letter on page 16? It says:

Obviously, Markham referred to elimination of enemy control over properties while Morgenthau was referring to confiscation of assets.

Why did the Office of Alien Property, under the direct control of Attorney General Herbert Brownell, fail to produce these letters, which must have been in the files, and the memorandum relating to the matters with the Treasury Department, when they were requested to do so by the Senate committee? The copy of Markham's letter to the Treasury Department must have been in the file together with other memoranda. Yet nothing was produced by the Office of Alien Property, and all that the Senate committee got came out of the Treasury Department, with the exception of one memo that came from the State Department.

The period of late 1944 and early 1945 is most important from another standpoint. That is what the Treasury Department, under direction of Harry Dexter White, did to American citizens who owned stock in American companies during that period when they were trying to get the Office of Alien Property to join with them in recommendations to the President for permanent and total confiscation of private properties of German civilians. They made it look like the Office of Alien Property actually controlled the businesses and shares of stock that had been vested by the Office of Alien Property. There are many typical cases, but the one of General Dye Works and most of its American stockholders is typical. After the stock owned by these American citizens had been taken by the Office of Alien Property, under urging by the Office of the Treasury, under the Treasury Department theory that these Americans were cloaks for German interest, these American citizens filed suit to get back their stock. What did the Harry Dexter White crowd do? They did not want the case tried, and neither did the Office of Alien Property. Why? If it were true that these American citizens were cloaks for enemy owners, why would the Government—and I use that word advisedly and with reluctance in this case—hesitate in trying the suit in the courts? Only because they could not prove their case.

Then they worked out a scheme to force these American citizens to settle the suit. How was this done? The Treasury Department, the Harry Dexter White, Frank Coe, and Harold Glasser crowd, sent 2 Treasury agents—note this, 2 Treasury men, not men from the Office of Alien Property—into the home of Mr. Ernest Halbach, who had been president of General Dye Works, where they intimidated Mrs. Halbach, who was also an American citizen, and who at that time was dying of cancer.

Mr. Halbach testified as follows before our committee which was investigating Harry Dexter White's part in the worldwide Communist conspiracy to confiscate private property and the Trading With the Enemy Act:

Mr. HALBACH. My wife, as you all know, was desperately ill, and the newspaper notoriety and the beating that she got and she knew that I was getting, weighed terribly heavy on her; and my daughter, and myself, and her brother, who is one of the trustees, were very anxious to relieve her of that stigma and the effect of that on her, because she was an intensely and rabidly loyal American.

The testimony continues:

The CHAIRMAN. As a matter of fact, your wife had cancer, and these Federal men kept bothering her?

Mr. HALBACH. Federal agents came out. I came home one night, and I could hardly believe it. I saw her face was scarlet, and I said "what on earth is the matter with you?" She told me that these two agents from the Treasury had been there and questioned her about me and my connection, and trying to intimate that I was German, or something to that effect. I never could get it out of her. She was so upset and so bewildered by it all that I never could find out, except I knew these two men had been there.

So what did Mr. Halbach do? He settled for $118 per share. Others got up to $365 per share, and he was paid out of the money in the till of General Dye Works—in other words, his own money. That settlement was made in January of 1945, with the Office of Alien Property, during the period when the White crowd wanted to get the Office of Alien Property to agree to permanent confiscation.

I say the Office of Alien Property may have been against confiscation, or at least I say so now; but look at the record made in this case involving American citizens and look at the record in other cases.

It is a fact that the Harry Dexter White, Harold Glasser crowd took over control and management of many corporations, including General Aniline and Film, which the Swiss insist, and have insisted from the day the Treasury Department seized it, right to the present moment, was owned by Swiss citizens. They took over the control before the Alien Property Custodian was even appointed; and once the searchlight of a public investigation is turned on, it will all come out that Harry Dexter White and his crowd made the policy for the Office of Alien Property regarding the stock in those companies.

I said that the Harry Dexter White crowd took over control and management of General Aniline & Film, and controlled it even after its stock was vested by the Office of Alien Property. Let me quote from Time, April 20, 1942, under the heading "Alien Property." It reads as follows:

With a new crowd in full control, the bitter purge of General Aniline and Film Corp. appears to be almost complete. Months ago, just before Leo Crowley became Alien Property Custodian, Analine lost what was left of its old directorate, got a new Treasury-picked, four-man board.

What will the Swiss say to all of this, and of the proof that these properties were taken as part of Stalins' plan? I also ask why the Attorney General did not tell us the things Harry Dexter White actually did as a spy and agent for the Communists, instead of just saying he was a spy?

The New York Times on August 10, 1953, in a story entitled "Swiss Study Bill on War Seizures," says:

ZURICH, August 9, 1953.—By submitting to Congress a bill proposing complete return of all West German private property vested in the United States during World War II, Senator DENNIS CHAVEZ, Democrat, of New Mexico, whose initiative was endorsed by Senator Pat McCarran, Democrat, of Nevada, changed the outlook for Europe so profoundly at one stroke that Swiss authorities hastened to examine the changes that would be wrought on European economy as a whole.

The story continues:

Switzerland is directly concerned in the outcome of this campaign, not only because of its effect on the sequester conflict, for example, in the Interhandel case, but also because of vindication of the principle of inviolability, even in wartime, of the rights of private property on which the capitalist system rests. Suspension of those rights during the war by several European countries, including even neutral Sweden, only serve to strengthen the Communist principles.

That is the quotation from the New York Times and the Neue Zuericher Zeitung.

The Department of Justice and the Office of Alien Property are still covering up their part in confiscating American properties, owned by American citizens and citizens in neutral countries; but it will all come out unless they change their continued opposition to doing justice in amendments to the Trading With the Enemy Act now before Congress.

Let me return to the negotiations between the Treasury Department and the Office of Alien Property to get permanent confiscation adopted as a matter of national policy.

What else was found in the Treasury Department files? A memorandum dated February 21, 1945, which stated in part:

Recommendation to Congress against return of vested property to former German and Japanese owners. We believe that the Treasury should insist that the custodian commit himself definitely to join in an ultimate recommendation to Congress that no plan for the final settlement of claims to the proceeds of vested property should make provision for any return or payment, direct or indirect, by the United States to former German and Japanese owners. The complete and irrevocable elimination of German and Japanese interests stressed by the Treasury's letter of January 16 to the custodian, can be achieved with certainty only through the adoption of a policy by Congress, as the history of enemy property in the last war shows beyond doubt. The great emphasis which the custodian's reply places on the role of Congress further increases the difficulty of maintaining that executive action in itself has much significance in relation to the objective the Treasury has announced.

Let me repeat that one phrase: "The objective the Treasury has announced." If the Treasury had the support of President Roosevelt in this policy, here was the place to say so. But they didn't say it because they didn't have his support.

Note that Frank Coe was the man named to meet with the Office of Alien Property to carry out the program of total confiscation. He is the same Frank Coe who was called before the Senate Internal Security Subcommittee even before the Attorney General, in November of 1953, confirmed what I had said in 1951 about the Harry Dexter White crowd, including Frank Coe. What did Frank Coe do and how did he testify as to his connections with the Communist apparatus? Here is what is taken from the Senate Internal Security Subcommittee report dated July 30, 1953:

Coe refused to answer on the grounds that the answer might incriminate him. He refused to answer all questions as to whether he was a Communist, whether he had engaged in subversive activities or whether he was presently a member of a Soviet espionage ring. He refused for the same reason to say whether he was a member of an espionage ring while technical secretary of the Bretton Woods Conference, whether he ever had access to confidential Government information or security information, whether he had been associated with the Institute of Pacific Relations, or with individuals named on a long list of people associated with the organization.

I continue reading from the Senate Internal Security Subcommittee report:

He took the fifth amendment with respect to questions of his relationship with Harry Dexter White, Alger Hiss, Philip C. Jessup, Solomon Adler, Lauchlin Currie, Michael Greenberg, Constantine Oumansky, and a long list of others.

That is what the Senate subcommittee report says. Now let us see what Frank Coe was to accomplish in his meetings with the director of the Office of Alien Property.

Here, once more, is the Treasury Department's memorandum of February 21, 1954:

Later we propose that the Treasury and the custodian join in a memorandum to the President explaining their program. Such a document would offer an excellent medium for recording the commitments which are wanted from the custodian. If the latter insists that any legislative action is required under other parts of Treasury's program, a joint letter of explanation to Congress would afford a further and more direct method of expressing the desired recommendation.

Let me repeat the first paragraph of the above memorandum of February 21, 1945:

The objective the Treasury has announced—

And what was that? It was—

complete and irrevocable confiscation of all German and Japanese private property located in the United States with legislation for no return and no compensation.

Here is Stalin's plan, word for word, as already set out by Varga in the October 1943 issue of War and the Working Class.

On March 9, 1945, there was a meeting between representatives of the Treasury Department, the Office of Alien Property, and the Department of Justice, in which Frank Coe stated in general terms the program of complete and irrevocable vesting of German and Japanese interests. Who represented the Treasury Department in that conference? None other than Harold Glasser and Frank Coe. The record shows that the Office of Alien Property did not want permanent confiscation; and in one memorandum, dated March 20, 1945, the record shows that in a meeting between representatives of the Treasury Department and representatives of the Office of Alien Property, the following occurred: Mr. Cutler who represented the Office of Alien Property, inquired "whether the Treasury is really serious about its program." He wondered why "merely vesting the enemy assets would not suffice at present." Mr. Alk, representing the Treasury Department, replied emphatically—and I quote from the record—"that the Treasury insists on a program clearly designed to eliminate German and Japanese property interests." Mr.

Alk further said—and I quote from the memorandum—that "Alk pointed out that the basic points had been thoroughly discussed in the Treasury and had been cleared with the Secretary." He also said that "if the custodian could not join in such a plan, the Treasury would be obliged to consider vesting action of its own." Here we have the complete picture. The Office of Alien Property was forced to follow the Treasury line.

The memorandum further states that during a discussion Mr. Cutler asked "if the Treasury had consulted the State Department about its program." On receiving a negative reply, he said that "the custodian was not inclined to proceed without getting the State Department's views." Here we have once again positive proof that the whole confiscation policy was that of the Communists and fellow travelers in the Treasury Department carrying out Moscow's decisions.

It will be noted that these letters finally turned over to the Senate committee in November of 1953 showed that the Treasury Department started its efforts to carry out its policies in January of 1945. At any time, the White crowd could have told the Office of Alien Property that President Roosevelt had agreed at the Quebec Conference to confiscate private property, and that they were following the President's directions; but not once did they say this, because they could not. It simply was not true. Had they been able to say that the President was in agreement that all private property of German and Japanese citizens should be permanently confiscated, the Office of Alien Property would have had to follow the request of the Treasury Department. In fact, the Treasury Department's request would never have been necessary to carry out Stalin's program if President Rosevelt had approved it.

But I am getting ahead of my story. Let us see what the Treasury Department, Foreign Funds Control, under the direction of Harry Dexter White, did in neutral countries. Take Switzerland as an example. Let us see how Harry Dexter White's agents blackjacked Switzerland to go along with Stalin's plan, Varga's plan as previously set out in October of 1943 in "War and the Working Class" to bring about worldwide confiscation of private property owned by German and Japanese civilians. How did they do it? Who did they send into Switzerland? None other than Lauchlin Currie, who was named in the White spy case as the one man who was able to shift around Communist agents into key places of our Government when the Communists wanted them shifted.

Who was Lauchlin Currie? An alien. A New Zealander who got into a high place in the White House and who was a pal of Owen Lattimore. I need not explain who Owen Lattimore is. Both of them were close friends of John Carter Vincent. As the late Senator Pat McCarran said on the Senate floor on July 2, 1952, Currie was "the Soviet spy ring's White House informant." Some Senators will remember that I protested Lauchlin Currie's presence in the White House long before he was exposed as a part of the Communist spy apparatus, and this was also long before the Attorney General denounced him. To refresh the memory of Senators, let me go back to the article in the Saturday Evening Post entitled "Our Battle With the Swiss," dated September 14, 1946. It was well worth reading in the light of developments since that date. When did Lauchlin Currie go to Switzerland? At the end of the war? No, he went there early in 1945. In fact, he was there at the time of the Yalta Conference and he headed an American delegation to blackjack little neutral Switzerland into turning over all private properties of German citizens to them, which they in turn wanted to turn over to an inter-allied commission, as Stalin later proposed at Yalta. This was during the same period that the Harry Dexter White crowd in the Treasury Department were trying to get the Office of Alien Property and the State Department to join with them in a message to the President recommending confiscation of German and Japanese private assets in the United States and asking the President's authority to submit a program to Congress that would carry out that objective.

Think of it, Mr. President. The Swiss anticipated what was coming. Does this throw new light on why the Department of Justice intends to this date to refuse even to negotiate with the Swiss Government for the return of these Swiss private properties, which they claim the Swiss were cloaking for German citizens, which the Swiss deny?

What does the Saturday Evening Post article entitled Our Battle with the Swiss, dated September 14, 1946, say? I quote:

> It is rather startling to discover that Uncle Sam has gotten the reputation here in Switzerland of being the worst bully since Adolf Hitler. Many Swiss people today are saying that they have had to fight the United States in order to preserve their very independence and there is no doubt that the postwar disputes with us left a very unpleasant taste in Swiss mouths.

Think of it, Mr. President. It says that "the Swiss feel that the United States is the worst bully since Adolf Hitler." I say that it was not the United States, but Communist spies and agents in our Government, who gave us that sordid reputation with a nation whose honor and integrity we have always admired. I say that it is time to reverse these policies by returning all confiscated private property. Only in that way can we purge ourselves of the terrible implications.

What else does that article say?

> The conflict arose when a small group of officials in the United States Treasury Department made plans for grabbing all German assets wherever they happened to be located.
>
> Finally, in February 1945, as the European war was entering its final phase, Lauchlin Currie went to Bern as head of the American delegation to resume negotiations with the Swiss.

That is what the Saturday Evening Post article said in 1953.

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

The PRESIDING OFFICER (Mr. DANIEL in the chair). Does the Senator from North Dakota yield to the Senator from Tennessee?

Mr. LANGER. I yield to the Senator from Tennessee on condition that his remarks appear at the conclusion of my speech. I understand that he wishes to speak for only a few minutes.

The PRESIDING OFFICER. Let the Chair explain the parliamentary situation. The clerk was reading the speech of the Senator from North Dakota, under a unanimous-consent agreement. Unanimous consent would be required to suspend that procedure.

Is there objection to the request of the Senator from Tennessee?

Mr. KNOWLAND. Mr. President, reserving the right to object, the Senate has granted permission for the clerk to read a speech of the Senator from North Dakota, which I think is entirely proper. The distinguished Senator from North Dakota has explained to me that because of some eye trouble it is not possible for him to read the speech. While what is being done is not an unprecedented situation in the Senate, it is unusual; but I think the procedure is justified under the circumstances indicated by the Senator from North Dakota.

I certainly shall not object if, as a courtesy to the Senator from Tennessee, the Senator from North Dakota wishes to yield for an insertion in the RECORD. However, I would have to object if it were for a speech, because I think we should proceed in order. The clerks have been engaged for a considerable period of time in reading the speech. It is a difficult operation for the various reading clerks. I believe that we ought to conclude with this speech without having other speeches sandwiched in.

If the Senator from North Dakota wishes to yield merely for an insertion in the RECORD, I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Tennessee?

Mr. KEFAUVER. Mr. President, I made the unanimous-consent request that my remarks follow the reading of the speech of the Senator from North Dakota.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Mr. President, if it is proposed that the Senator from North Dakota yield for another speech, I must object. If it is for an insertion in the RECORD, I shall not object.

The PRESIDING OFFICER. Will the Senator from Tennessee restate his unanimous-consent request, including a statement of the purpose for which he wishes to have the Senator from North Dakota yield to him?

Mr. KEFAUVER. Mr. President, I had intended to make a brief speech. I did not ask the Senator from North Dakota to yield for the purpose of making an insertion in the RECORD.

I withdraw the request at this time.

The PRESIDING OFFICER. The clerk will proceed.

(The legislative clerk resumed the reading of Mr. LANGER's speech, as follows:)

Mr. LANGER. Mr. President, who was Lauchlin Currie? I exposed him in 1951. The Attorney General confirmed what I

said, namely, that the FBI reports established that he was a very important part of the spy apparatus.

All of these things were being done even before Yalta. The Treasury Department got the greatest publicity in the press of the United States. They draped themselves with the American flag; and we read one article after another to the effect that the Treasury Department was catching spies and traitors. We read article after article to the effect that the Treasury Department was not going to permit Hitler and his war criminals to use the loot the Treasury Department said they had hidden in foreign countries. The American people were led to believe that only the Treasury Department, not the FBI or the military intelligence, was protecting the American people.

Let us remember the things the Treasury Department was doing in Switzerland during the same time they were trying to get the Office of Alien Property and the State Department to join with them in the recommendation to President Truman.

Let me go back to the records finally brought out in November of 1953, in our Senate hearings on Harry Dexter White's operations and the Trading With the Enemy Act. One of the letters produced showed that on March 28, 1945, Francis J. McNamara, Deputy Alien Property Custodian was summoned for a meeting at the Treasury Department. For a meeting with whom? Frank Coe. Now let us take the memo that Coe made on what happened at that meeting. What does it say? It says: "That the State Department was not in favor of confiscation but it was in favor of reparations and restitution." But I say somehow or other they did get the State Department to go along with their program. The pressure of the Treasury Department ended in the Treasury Department getting its way in this matter and on May 30, 1945, a memorandum was sent to President Truman. Who was it signed by? Mr. Joseph C. Grews, Acting Secretary of State; Henry Morgenthau, Jr., Secretary of the Treasury; and James E. Markham, Alien Property Custodian. The memorandum reads as follows:

Under Executive Order No. 9193 of July 6, 1942, control of dollar balances, securities, and other liquid assets of the enemy countries and their nationals was conferred upon the Treasury while the Office of Alien Property Custodian was directed to deal with enemy-owned property requiring active management. The order provides, however, that if the Treasury should decide to vest any property it shall be vested in, and dealt with by the Custodian upon the terms directed by the Treasury. Since the allocation of functions between the two agencies, the Treasury has not vested any property but has relied on its blocking controls, while the Custodian has followed a program of vesting.

We are agreed that the national interest requires the complete elimination of existing German and Japanese interests in property in the United States. If you agree, we are ready to join in a coordinated program under which all German and Japanese property will be vested and will be converted into cash as soon as practicable. It is proposed that exclusive authority to vest such property and to direct the terms under which it thereafter should be dealt with be conferred upon the Custodian by an amendment of Executive Order No. 9193. The Treasury will continue to be responsible for developing overall procedures to insure that enemy assets held in the names of nationals of liberated or neutral countries will not be released under unfreezing programs.

All proceeds of vested property will for the present continue to be held in special accounts in the Treasury of the United States. Although we believe that a governmental decision with respect to the final disposition of the funds should be deferred we feel that American creditors who have claims against any person whose property in this country has been vested should be paid on an equitable basis to the extent the vested assets of the debtor permits. The expenses of the Alien Property Custodian's Office will continue to be paid out of vested property and its proceeds. We are fully agreed that plans for ultimate disposition of the funds realized from vested German and Japanese property should make no provision for any return or compensation, direct or indirect, by the United States to the former owners. Subject to your concurrence, it is our intention to present these views to Congress in conjunction with legislation which will aid in effectuating the program. If you agree with the program, it is requested that you sign the attached amendment to Executive Order No. 9193.

I say, what are the pertinent parts of that memo? I repeat them:

We are agreed that the national interest requires the complete elimination of existing German and Japanese interests in property in the United States.

If you approve, we are ready to join in a coordinated program under which all German and Japanese property will be vested and will be converted into cash as soon as practicable.

We are fully agreed that plans for ultimate disposition of the funds realized from vested German and Japanese property should make no provision for any return or compensation, direct or indirect, by the United States to the former owners. Subject to your concurrence, it is our intention to present these views to Congress in conjunction with legislation which will aid in effectuating the program.

The White crowd, from April 12 to May 30, 1945, had ample time to get President Truman's approval of their plan but it is obvious he did not approve. Otherwise they would not have had to send him a memorandum requesting authority to present their views to Congress. What pressure was brought on President Truman during that period? There must have been plenty. On June 8, 1945, President Truman signed an executive order which authorized the Alien Property Custodian to vest all German and Japanese assets. This included those assets controlled by the Treasury Department, bank accounts, securities, and so forth. But now we come to an important point. President Truman did not give his authority to present their views to Congress in conjunction with legislation which would aid in effectuating their program which the Treasury Department said in its memo was their intention, namely that there should be no provision for any return or compensation direct or indirect, by the United States to former owners. The Executive order signed by President Truman on June 8, 1945 was No. 9567. Can there be any doubt that had President Truman but concurred in their plan they would not have immediately presented to Congress a bill to permanently confiscate these private properties under the recommendation of the Secretary of the Treasury, the Office of Alien Property, and the Secretary of State? Of course they would have presented such a program had the President approved, but he did not approve. Less than 1 month later on July 6, 1945, Morgenthau resigned. This was just shortly before the Potsdam Conference.

We now know from President Truman's Memoirs that he says the following about Morgenthau's resignation:

Morgenthau insisted that he would have to go to the Potsdam Conference. I told him he should stay here. Morgenthau still insisted and threatened to resign, so I accepted his resignation, and that was the end of the Morgenthau plan.

Note how clever they were in the memo to President Truman. They did not say they would recommend legislation to confiscate German and Japanese private properties as reparations. That had been turned down by President Roosevelt at Yalta. They also knew President Truman's stand on this point, so what reason do they give for wanting to confiscate all this private property? They state in their memo: "That the national interest requires the complete elimination of existing German and Japanese interests in property in the United States." Harry Dexter White could not get Stalin's plan through under the guise of reparation, so now they came up with a new reason contrary to every basic American principle, of holding private property inviolate from confiscation.

Now, what did Khrushchev say on this subject of private property in his most recent statement reprinted in the December 1955 issue of Reader's Digest? I quote as follows:

They say in the West that something has changed since the Geneva Conference. They say that the Soviet leaders smile, but that their actions do not match their smiles. The smiles are sincere: We wish to leave in peace. But if anyone thinks that our smiles mean we abandon the teachings of Marx and Lenin or abandon our Communist road, they are fooling themselves.

I ask how long will it take us to learn? He continues, as follows:

We are for coexistence. But we are also for the growth of communism. We are confronted with the reality of two different systems. You capitalists go your way so long as you do not see that it is the way of the blind. If you really think that your system is not too old and rotten, if you believe that it is really possible to keep up in the race, go ahead and try and compete. We will find out who is right.

This is what Khrushchev said. Nothing can be clearer than that.

Let it be said to the credit of President Truman that at no time during his administration did he ever send a message to Congress requesting that the Trading With the Enemy Act be amended to permanently confiscate German and Japanese private property situated in this country.

Now, I do not want to give the impression that the then Acting Secretary of State, Joseph C. Grew, was ever in favor of this Communist plan, and I believe the best proof of this is to check into the

files of the Daily Worker on October 4, 1942, where we find that the Grew-Berle group are called Fascists and champions of Munich. Berle testified on August 30, 1948, before the House Un-American Activities, and I want to quote from his testimony as follows:

As I think many people know, in the fall of 1944 there was a difference of opinion in the State Department. I felt that the Russians were not going to be sympathetic and cooperative. Victory was then assured though not complete, and the intelligence reports which were in my charge indicated a very aggressive Russian policy, not at all in line with the kind of cooperation everyone was hoping for, and I was pressing for a pretty clean-cut showdown then, when our position was strongest. The opposite group in the State Department was largely these men—Mr. Acheson's group, of course, with Mr. Hiss as his principal assistant in the matter. I got trimmed in that fight and, as a result, went to Brazil and that ended my diplomatic career.

Now, let us see what happened to Under Secretary of State Grew who signed the memo to President Truman on May 30, 1945. Six days after the memo was sent to the President by Grew, the FBI arrested John Stewart Service, a member of the Hiss crowd in the State Department and at the same time the FBI raided and seized the New York office of the pro-Communist magazine Amerasia, where the FBI found 540 Government documents classified as follows: Restricted, 119; confidential, 208; strictly confidential, 59; secret, 153; and very secret, 1. As soon as he heard of the disclosures, Under Secretary of State Grew insisted on vigorous prosecution of everyone connected with the Amerasia case. Secretary Grew had to disappear from the scene, which he did on August 19, 1945. Dean Acheson succeeded Grew as Under Secretary in August of 1945 and 2 days later reinstated Service to the State Department and promoted him. So I say, let us draw no false inferences about the memo signed by Grew on May 30, 1945.

Now, let us see how Harry Dexter White further blackjacked the neutral nations even before Potsdam. He already had Treasury agents in every American Embassy and Ministry throughout the world. I showed where on May 30, 1945, Harry Dexter White succeeded in getting the memo addressed to President Truman signed asking for confiscation legislation, which request the President did not approve. He only approved a further vesting and liquidation program. The matter of not returning these private properties or the proceeds, without compensation, was never approved by the President, nor was their request for authority to present to Congress legislation that would permanently eliminate German private interests in property as a matter of national policy ever approved by the President; but notwithstanding, what did Harry Dexter White's assistant, Harold Glasser, who was also named by the Attorney General as a part of the Communist apparatus, do immediately thereafter? I will now tell what he did.

On November 16, 1953, there was produced at the Senate Judiciary Subcommittee hearing the following memorandum which was in response to the committee's request made for letters and memorandums relating to the joint confiscation message of May 30, 1945, sent to President Truman. What did the State Department produce? They produced a memorandum dated June 13, 1945, from Harold Glasser to the Treasury Department—that means to his boss, Harry Dexter White—requesting use of State Department cable facilities to inform Treasury representatives in important Embassy posts of the objectives of the program. Harry Dexter White then sent cables to every Treasury representative in every American Embassy and Ministry in every country of the world, even though the President refused to adopt their program, insisting that our Ambassadors and Ministers dedicate themselves to a program of getting the countries to which they were appointed to institute legislation to permanently confiscate all German private assets with no provision for compensation of any kind. This was before Potsdam, and 6 months before the Paris Conference. What could our American Ambassadors and Ministers do after this order had been sent by Harry Dexter White? They had to fall into line.

Remember Morgenthau's order dated December 15, 1941, which applied to the State Department and every American Ambassador and Minister throughout the world. The order read as follows:

On and after this date, Mr. Harry D. White, Assistant to the Secretary, will assume full responsibility for all matters with which the Treasury Department has to deal having a bearing on foreign relations. Mr. White will act as liaison between the Treasury Department and the State Department, will serve in the capacity of advisor to the Secretary on all Treasury foreign matters and will assume responsibility for the management and operation of the stabilization fund without change in existing procedures. Mr. White will report directly to the Secretary.

What could these countries do except to follow the directions of Harry Dexter White as transmitted to them by Treasury's representatives in our ministries and embassies? Once again I say read the article that appeared in the September 14, 1946, issue of the Saturday Evening Post entitled "Our Battle With the Swiss." All these countries needed economic aid from the United States or trade with the United States, so they simply had to go along with the program, for Harry Dexter White and his fellow conspirators would see to it that they would not get either credit or trade unless they submitted, just as he had handled Churchill at Quebec when Churchill was first given a part of the Morgenthau-White plan to initial before he could be sure he would get the multibillion-dollar loan.

Now let us see what these countries did when the pressure was put on.

Within a few weeks after these telegrams were sent out, most of the smaller allied nations took steps to confiscate German private property in their countries by issuing decrees. They are all in the record. They either had to or they would be penalized by the big United States. They all collapsed even before the Potsdam Conference. Stalin won out. The sacred principle of private property was collapsing and vanishing, this time in all parts of the world. Karl Marx had written in his manifesto:

You reproach us with intending to do away with your property. Precisely so, that is just what we intend.

Well might Khrushchev say in 1955, "the days of capitalism in the world are approaching their end. Our system will win."

President Truman probably knew that Morgenthau would send him a memo to confiscate private property, for in a surprise move he took the matter of reparations out of the hands of the Treasury Department, or at least believed he had accomplished that, when on April 28, 1945, he appointed Edwin T. Pauley to go to Moscow. The New York Times issue of April 28, 1945, says as follows:

President Truman in a surprise move appointed Edwin T. Pauley to serve as American member of the Allied Reparations Commission which will meet in Moscow next month.

I want to quote from the letter President Truman sent to Mr. Edwin T. Pauley and gave out at the press conference called specifically for that purpose on April 28, 1945:

I hereby designate you to act as my personal representative with rank of Ambassador to represent and assist me in exploring, developing, and negotiating the formulas, and methods of exacting reparations from the aggressive nations in the current war.

Note what Truman says, "to represent and assist me" in doing what? "Exploring, developing, and negotiating the formulas and methods of exacting reparations." Not one word is said that there should be confiscation of private property of German nationals. Let me go on. The letter states further:

In this matter, you will represent me in dealing with the other interested nations. At the Crimea Conference it was agreed that Germany would be obligated to the greatest extent possible to make reparations in kind for the damages caused by her to the Allied countries.

Let me repeat what the letter says: "To make reparations in kind." There is nothing in this sentence about confiscation of private property of German civilians throughout the world under guise of reparations. The letter further states:

It is further agreed that a commission should be established to consider the question of the extent and method of collecting such reparations.

The letter continues:

I wish you also to represent the United States and me personally as a member of the commission.

What does President Truman say in his final paragraph of this letter in which he cuts the ground out from under the Harry Dexter White crowd, Alger Hiss crowd, and Morgenthau crowd? He says:

In all matters within your jurisdiction you will report to me personally and directly.

Note he indirectly says not to Mr. Morgenthau, not to Harry Dexter White, not to Alger Hiss but to the President directly, and he was to discuss reparations in kind and not confiscation of private

property of German citizens throughout the world. The President closes his letter with this paragraph:

May I express my gratification at your willingness to assume this important but arduous mission.

The President well knew it was an arduous mission, for the Communists were not to be denied their demands as set out as far back as 1943 by Varga in War and the Working Class.

Here, for the first time, Harry Dexter White was apparently stripped of his authority over monetary matters throughout the world, not only over our State Department but in all matters regarding reparations, which were certainly monetary, which he dominated from the date of the Morgenthau order of December 15, 1941. But Harry Dexter White just would not be stripped of his authority.

Here was notice to Stalin in unmistakable language, and it explains why President Truman went to such unusual lengths to give a copy of his letter addressed to Mr. Pauley to the press. Mr. Pauley had his instructions, and Moscow knew those instructions were not in accordance with the Moscow plan. What happened then? Mr. Pauley began his trip to Moscow with the rank of Ambassador, personally representing the President and the United States. When Mr. Pauley arrived at Paris the Communist press in France greeted his arrival by saying that he was a reactionary, a tool of Wall Street, a Fascist.

Pauley continued on to Moscow with the American delegation with direct instructions from President Truman. The Reparations Commission was still meeting when Germany collapsed and the unconditional surrender was signed on May 7, 1945. The American people were jubilant. What thought did they or any of us give to reparations? Victory was in the air. Peace was coming.

The word was then being prepared for the Potsdam Conference where the victorious powers were to meet to determine the fate of Western Europe and perhaps the fate of the world. Now then, I do not want to get away from my main topic. There are many things about the Potsdam agreement that we could talk about, but I want to stay with my principal subject of confiscation of private property, which was the only thing Communist Russia wanted the Allies to do for themselves and that was to be accomplished under the guise of reparations.

Now I am going to quote from Churchill's memoirs of the potsdam Conference:

We ought to keep the zones agreed at Yalta—

Said the President.

If we don't, reparations and all sorts of other matters will be difficult to settle.

"We are not worried about reparations," said Stalin, according to Churchill's memoirs. Of course Stalin was not worried about reparations. He was going to take everything he wanted anyway and when he got through there would be nothing else left for the free world to do but to confiscate private property. This is just what Stalin wanted. President Truman replied to Stalin according to Churchill's memoirs as follows:

The United States will get none anyhow, but they will also try to avoid paying anything.

This again establishes that President Truman had no intention of confiscating private property of German and Japanese citizens under guise of reparations or as a new national policy. Here once again President Truman shows the time-honored American policy of holding private property of enemies inviolate from confiscation even in time of war will not be changed, thus taking the same stand he took when he was handed the memo of May 30, 1945, prepared by Harry Dexter White and signed by the Secretary of the Treasury, the Alien Property Custodian, and the Assistant Secretary of State.

I do not want to give the impression that only the Communists and their sympathizers were urging confiscation legislation. I regret to say that we had some politicians, Democrats during that period, who work for confiscation of private enemy property for purely selfish reasons in that they wanted to hang on to the business plums taken over by the Office of Alien Property. Ideals or principles meant nothing to them and so that my Democratic colleagues may take no offense, I must now regretfully state that in 1953 when the Republicans took over the administration, Republican politicians interested in taking over these business plums and who did take them over began also to object to returning these confiscated properties to their rightful owners. By 1955 most of these Republican politicians knew that these confiscation policies were made in Moscow but they still object to legislation providing for full return. Some of these men today want to hang onto these private properties for their own gain even if the Nation loses, even if it means a further weakening of the free world in its fight against the Communist program of the destruction of private property rights throughout the world, but they will scream their heads off if their properties in some foreign countries are nationalized or, to use a better word, confiscated.

This now brings us to the end of the war in Europe in June 1945. The American people are jubilant as they well might be. Hitler is dead. The myth of Soviet friendship with the people of the free world is at its high point, but what do we see happening in Europe? An Iron Curtain is pulled down over news coverage. Elmer Davis, head of the Office of War Information, informs the world that 1,000 of his handpicked men will control news that comes out of Germany. What news do we get out of Germany? Mostly that which the Communists want us to hear. The newspapers are filled and rightly so with the horror stories of Nazi brutality and of the coming trials of Nazi war criminals. Japan surrenders on September 2, 1945, and the American people are happy and thankful that at last the war is over. And so the stage was set for what was to come.

In October of 1945, two things happened almost at the same time. The first is that Henry Morgenthau's book Germany Is Our Problem, is published. The second is that on October 30, 1945, the Allied Control Council for Germany promulgated law No. 5. I want to take these two matters up in sequence.

Remember that Morgenthau had been fired 3 months before. This book, although bearing Morgenthau's name as the author, was admitted even at that time to have been the product of Harry Dexter White and his cohorts.

Remember that President Roosevelt could no longer defend himself. He was dead when the book was published.

Now in these most recent disclosures of Yalta made public on December 30, 1955, significantly enough we find included therein a memo made by Harry Dexter White for his chief, Henry Morgenthau, telling of their meeting with Messrs. Hull, Mathews, Stimson, and McCloy on September 20, 1944, referring, not to Yalta, but to the second Quebec Conference where part of the Morgenthau plan was put into operation. The Harry Dexter White memo shows that they went to see Messrs. Hull, Mathews, Stimson, and McCloy to "wise them up" as to what they did at Quebec.

White's memo proves that Messrs. Hull, Mathews, Stimson, and McCloy did not know what the President had signed at Quebec. Only Harry Dexter White and Secretary Morgenthau knew that, and there is no evidence that these other men ever saw any document that had actually been initialed by President Roosevelt and Churchill at Quebec.

Now with these facts in mind and in the light of these most recent disclosures among the Yalta papers, let us take a good look at the front pages of the Morgenthau book Germany Is Our Problem. What do we find? We find that the front page contains a statement of American principles made by President Roosevelt regarding the future of the German people, but not one word about confiscating their private property although it does state that we will make rearming impossible. Then appears the following:

On the following pages is reproduced a photographic copy of the memorandum summarizing "the Morgenthau plan" which President Roosevelt took with him to the historic Conference at Quebec in September of 1944.

Note what this statement fails to say. It does not say that this is a photographic copy of the memorandum summarizing the Morgenthau plan, initialed by President Roosevelt and Churchill at Quebec, but it cleverly implies it. It only says that it is a photographic copy of what President Rooseevlt took with him to Quebec. I say I believe that statement is false. I do not believe that President Roosevelt took that particular memo to Quebec.

I hold in my hand a copy of the book, and I shall be glad to show it to any Member of the Senate. I find no initials of either President Roosevelt or of Winston Churchill.

The photographic copy of the memo reproduced contains the provision for confiscation of German private assets throughout the world, making the American people and the world believe that

this was a reproduction of what President Roosevelt and Churchill initialed at Quebec. The photographic copy does not contain the initials of President Roosevelt or Churchill. Why did they not produce a copy showing the initials of "F. D. R." and "W. C." on it? Certainly Harry Dexter White had a signed copy and that would have been the best evidence of what Roosevelt and Churchill actually had signed.

I do not believe that the original signed by President Roosevelt and Churchill contained a single provision to permanently confiscate all German private property in the United States under the heading of reparations. In view of this most recent Harry Dexter White memo, I say this raises some very grave questions to which the American people are entitled to an answer, and I demand that the original document containing the initials of the President and Mr. Churchill be now produced.

Now let us return to what I said about the second important thing that happened in 1945. In October of 1945, the same month the Morgenthau book Germany Is Our Problem came out, announcement was made of a new worldwide allied control council law for Germany. What was that law? It is called law No. 5 of October 30, 1945, issued by the Allied Control Council for Germany, and I am now going to quote that law; but before I quote this law, I want to make it clear that not until long after the war was over did the American people discover, nor did Congress discover, that in all financial matters relating to the occupation of Germany, the military, although they had to sign the orders, had nothing to say. In all financial matters, the military took orders from the Treasury Department, Harry Dexter White, based on the authority of the Morgenthau letter of February 25, 1943, addressed to Harry Dexter White, and I should like to quote from that letter once again as follows:

> I would like you to take supervision over and assume full responsibility for Treasury's participation in all economic and financial matters * * * in connection with the operations of the Army and Navy and civilian affairs in the foreign areas in which our Armed Forces are operating or are likely to operate.

This was what President Dwight D. Eisenhower, then Gen. Dwight D. Eisenhower, had to work under. What did this mean? This meant that the entire economic policy of occupied Germany was made by Harry Dexter White, and only long after do we find out that Harry Dexter White actually gave the plates, from which the occupation currency was printed, to Russia. To this date we do not know how many millions of occupation bills were printed from those plates, but we do know that it led to a situation in Western Germany where there had to be a complete devaluation of the mark with all the terrible consequences that brought with it.

Now let me return to that law No. 5 of October 30, 1945, by the Allied Control Council:

> Whereas the control council is determined to assume control of all German assets abroad and to divest the said assets of their German ownership with the intention thereby of promoting international peace and collective security by the elimination of German war potentials.

Note what it says. It says "assume control of German assets abroad and to divest the said assets of their German ownership with the intention thereby of promoting international peace and collective security by the elimination of German war potentials." Noble purposes indeed, but can anyone doubt that the main reason for that preamble to this law was basic Communist policy for the destruction of private property rights?

Stalin had now gotten what he wanted, as Varga set out as Communist policy in War and the Working Class in October of 1943. Stalin was no longer interested in what would be done at the Paris Reparations Conference, or was he? He was only interested from the standpoint of what Russia could take physically; but make no mistake about it, he was vitally interested that the nations of the free world at the Paris Reparations Conference would confiscate all private property throughout the entire world of German and Japanese citizens, not only those found in the allied countries but those found in neutral countries.

At the Paris Reparation Conference of December 21, 1945, the Allied Governments agreed as follows:

> (a) Each signatory government shall, under such procedures as it may choose, hold or dispose of German enemy assets within its jurisdiction in manners designed to preclude their return to German ownership or control and shall charge against its reparation share such assets (net of accrued taxes, liens, expenses of administration, other in rem charges against specific items and legitimate contract claims against the German former owners of such assets).

Legislation was introduced relating to confiscation of German and Japanese private properties in the United States as early as 1943. We had a Democratic administration in 1943. In 1944 the same legislation was introduced and was pending during and after the Quebec Conference but not once did President Roosevelt make one move to show his approval of such legislation. In 1945 when Truman was President, we see still these same bills being introduced. In 1946 the same bills were again introduced. This was after the Paris Reparation Agreement and yet not once did President Truman show any indication that he supported such legislation.

In 1947 the same bills were again introduced, and remember, during those years we had a Democratic administration and a Democratic Congress but at no time, as I said before, did President Franklin D. Roosevelt or President Truman indicate to Members of Congress that they favored legislation that would permanently confiscate private properties of German and Japanese citizens. When confiscation legislation was passed it was done by the 80th Republican Congress when the Democrats were in control of the executive branch of the Government, and I am going to show how the White, Glasser, Coe and Hiss group with the help of the Office of Alien Property got that done by trickery and deceit and how they fooled the veterans.

In my first exposé of these Communist plans on January 29, 1951, before the Yalta conference disclosures came out and before the White case was exposed, I said:

> Where, oh, where in heaven's name was the Foreign Relations Committee of the United States Senate? What was that Committee doing? The answer is "Nothing."

Mr. President, I say to the citizens of America that want to blame the President or Republicans or Democrats that the Republicans are just as guilty as are the Democrats, those who were members of the Foreign Relations Committee, because all through the 80th Congress, the votes were 13 to nothing. I said further that some of the Republicans will, when the damage is done, try to blame the Democrats but I say, look at the record of the 80th Congress and let us not forget that it was the 80th Republican Congress under the Democratic executive administration which passed legislation permanently confiscating German and Japanese private properties of civilians, but I say that we were tricked into doing it and I am going to prove it.

Shortly after September 1954 immediately after the official surrender of Japan, the Members of Congress began to get letters from their constituents protesting that with the defeat of Nazi Germany some 5 months before that time, there came the clamping down of the Iron Curtain and it had reached such an extent that even the Red Cross refused to deliver any messages from people in Germany to people in the United States or from people in the United States, to people in Germany, and yet the Red Cross in the United States right up until the unconditional surrender of the Hitler regime had accepted those messages and they were handled through the German and Swiss Red Cross. The reason given was that communications had broken down but this was only true in part because the Salvation Army who handled similar messages during the war through the Swiss and German Salvation Army continued to deliver such messages regardless of the Iron Curtain, and so did church groups through the Vatican for both Protestant and Catholic people. Why did they want this blackout? Simply to cover up the terrible things that were happening in Germany.

By December of 1945 Congress was being deluged with letters from hundreds of thousands of people asking that they be permitted to send food and clothing to their relatives. Many hundreds of Members of Congress, Senators and Congressmen alike, asked the Treasury Department why a general license could not be issued. Our letters and the letters from people asking to send food and clothing to their relatives in Germany all landed in the hands of Harry Dexter White and his coconspirators who had control of the Trading With the Enemy Act.

It was during this particular period, when Harry Dexter White refused to issue a general license, that I and other Members of Congress first began to become suspicious of him. All that the American people wanted, in the winter of 1945, was to be able to send food and clothing to their friends and relatives in Germany. All they wanted to be able to do was to write letters to their relatives and friends in Germany to see whether they were alive or dead and they were not allowed to do it. If they tried to send a message through a neutral country and were caught, they were subject to a $10,000 fine and 10 years in the penitentiary for trading with the enemy, even though the war was over.

Harry Dexter White had issued hundreds of orders during the war granting permission to deal with the enemy, which was in some cases necessary, through neutral countries; but when the war was over, he refused to issue a general license to the American people to send food, clothing, and medical supplies to the civilian population in Germany.

Every letter that went to the Treasury Department for a license permitting American citizens, charitable institutions, and religious groups to send food and clothing to starving people in Germany brought replies which evaded the issue and put it all on a matter of sending money into Germany which the Treasury Department said was impossible because it would be some time before they could establish an official rate of exchange.

There were two things these American citizens wanted. One was to be able to write to their relatives to find out if they were alive or dead, and the second was to permit to send food and clothing to their friends and relatives in Germany. It is silly to think they wanted to send money, as there was nothing in Germany anyone could buy with money.

American church groups of all denominations requested a license from the Treasury Department so that they, as church groups, could undertake this relief work, but no license was issued. They told us that the transportation system had broken down in Germany and it probably had, but we had many ships available that could have been used to transport food and clothing which these church groups wanted to collect and send to Germany. The church groups would have used their own people, their own transportation, and their own trucks and worked with the related church groups in Germany in distributing the food and clothing, but the Treasury Department refused to issue a general license. The Iron Curtain had been rung down.

I ask Senators to look through the CONGRESSIONAL RECORD from September 2, 1945, the date of the official surrender of Japan, all through the year 1945 and the beginning of 1946, and what will they find? One letter after the other put in the RECORD by Senators and Congressmen requesting a general license to send food and clothing to the civilian population in Germany, but yet no general license was issued.

Churchill had been defeated. At that time the Labor Party had taken over in England and the situation got so bad that on August 16, 1945, Churchill said in the House of Commons as follows:

> I must put on record my own opinion that the provisional western frontier agreed upon for Poland, comprising as it does one-quarter of the arable land of Germany, is not a good augury for the future of Europe. I am particularly concerned at this moment with reports reaching us of conditions under which the expulsion and exodus of Germans from new Poland have been carried out. Between 8 million and 9 million persons dwelt in these regions before the war. Enormous numbers are unaccounted for. Where have they gone and what is their fate? Guarded accounts of what is happening had filtered through but it is not impossible that tragedy on a prodigious scale is imposing itself behind the Iron Curtain which at present divides Europe in twain. I should welcome any statement which the Prime Minister can make which will relieve us or inform us on this very anxious and grievous matter.

Two weeks before Churchill's message in the House of Commons, a deputation of British churchmen headed by the Anglican Archbishop of York representing the Anglican Archbishop of Canterbury and the entire Anglican church, together with the Archbishop of Westminster and other Catholic bishops, appealed in person to the British Prime Minister in this matter. The churchmen pointed out the hardships of the millions of Germans who have been forcibly expelled from Poland and the German territories handed over to Poland and from the Czech Sudetenland. The British Prime Minister replied that "The problem was already engaging the anxious attention of the British Government which was doing its utmost to overcome the difficulties facing Europe in the coming winter, particularly as regards coal, food, and transport." He pointed out that "The particular problem of German refugees from Eastern Europe was not one for which the British Government was in any way responsible, and that steps had now been taken to suspend further expulsions pending further consideration of the matter of the Allied Government."

In the August 13, 1945, issue of Time magazine, this mass expulsion is described as follows:

> In what was once Eastern Germany an anguished tide of humanity, one of the greatest mass movements of Germans in history, flowed toward the borders of the shrunken German Reich. At least 10 million hungry Germans were being uprooted from their homes in East Prussia, Pomerania, Silesia, and Sudetenland by the new Polish, Czech, and Russian owners. The wanderers choked the roads in Russian occupied Germany, ragged, barefooted, with children in their arms and the shabby remains of their homes stacked on perambulators, carts, and wheelbarrows, as they trudged westward. But they were barred from the British and United States zones, no UNRRA was on hand to help, though their problem immensely outscaled that of displaced persons elsewhere in Europe.

That is what Time magazine said. Who wrote the constitution of UNRRA—Alger Hiss, the convicted conspirator. And so we come to November of 1945 and 8 years later in November of 1953 we find out that Harry Dexter White, in November 1945, was already being investigated by the FBI.

What did Gen. Dwight D. Eisenhower say to all these things that were happening in Germany in 1945? It is all in the RECORD. When Senators and Congressmen appealed to him in this situation, his reply read as follows:

> My biggest job in Germany this winter is to keep the German population from starving.

Less than 9 months before, during Christmas of 1944, just a few months before he died, President Roosevelt stated that "This country has no desire to crush and exterminate the German people." That is what President Roosevelt said. I said there were no UNRRA benefits for these starving German people. Why? Because under the Communist plan put through by Alger Hiss and Harry Dexter White, not one crust of bread could be given by UNRRA to any person of German ethnic origin. The American people were trying to do everything possible to change this situation but the godless, atheistic Communists in our Government did not let them.

So that we may recall to mind just how bad that situation was, I want to read the article appearing in the November 28, 1945, issue of the Christian Century and it is entitled "Shall the Church Become an Accessory to Murder?" It reads as follows:

> Silent concurrence by the churches in murder by starvation makes the church an accessory to the crime. As a result of the Potsdam decisions, millions of Germans are starving now. Before the winter is over, five times as many Germans will die as died in the recent war, according to Bishop Dibelius of Berlin. By no stretch of the imagination can these doomed babies, their mothers and the aged be called war criminals. They have had no trial. What is happening to them is therefore not retributive justice but murder. Is the church to remain silent while wholesale murder by starvation is committed? An individual who knows that a crime is being committed and who does not communicate that knowledge or go to the aid of the person in peril is held legally responsible for his silence. He is held to be an accessory to the crime. Will history try and condemn the Christian church as an accessory to the infamy of Potsdam? It will and should do so unless the churches cry out in the name of the compassionate Christ against this high crime against humanity. It will and should do so unless the churches immediately mobilize all their resources to aid this part of the world Christian community. This aid can be given. It can be given by telling as much of the truth as the churches have been permitted to learn. It can be given by immediate, concerted and large scale efforts to breach the wall of silence which is raised by Potsdam around the millions of dead and dying in central Europe.
>
> Public opinion in Great Britain has swung in the last 3 weeks against the Potsdam policy of mass starvation. The Bishops of the Roman Catholic Church, meeting in Washington in their annual conference, have just denounced our treatment of the people of Germany, Austria, and Hungary in a spirit of vengeance. They declare that every report indicates that unless heroic measures are taken at once, millions will die from starvation and exposure during the coming winter. The feeding and clothing and sheltering of these suffering people is not a work which can be left to some future convenient date. They hold that Congress must promptly appropriate funds for this purpose

and that private relief agencies must be freed to do their part. In this category they, of course, include church relief agencies. We rejoice to hear Catholic leadership in America speaking to the Government in this unequivocal tone. How long will it be before protestant leadership summons equal courage? Opinion will change here if the people are given the truth. The church dare not withhold what it already knows. Its mission is to speak for humanity. It is commanded to work for forgiveness and reconciliation. If it fails in this crisis, it has not only missed an opportunity to set its record straight before history, it has also betrayed its mandate from Christ who is its head. If every person in America should immediately start doing everything in his power to save the helpless victims of Potsdam, great numbers would die in spite of all that could be done. But the fate of even greater numbers depends upon the American people and particularly upon the American churches. The churches are the conscience of the Nation. That conscience must now speak to President Truman. It must thunder through the quiet corridors of the Department of State. It must demand that the United States Government order the release of the 200,000 tons of Army rations which were sent to Europe for the use of soldiers who have now returned. It must demand that the ban which prevents all private agencies, including the churches, from sending food or other material relief into Germany, be immediately lifted.

That article appeared on November 28, 1945, and 8 years later to the month we have confirmation of my charges made in 1951 that Harry Dexter White was a spy.

It is obvious that this was all part of Stalin's plan to so weaken what was left of Germany, that it would be a pushover when the Communists would reach the point when their timetable said they would be ready to dominate the world.

Contrast this situation in the winter of 1945–46 with the pledge President Roosevelt made in 1943. That pledge was as follows:

Except for the responsible Fascist leaders, the people of the axis need not fear unconditional surrender to the United Nations. I have said that we shall bring food for the starving and medicine for the sick in the areas liberated by the United Nations. We have done so under lend-lease in North Africa. We are doing so in Sicily. We shall continue to do so in other areas as they are liberated to prevent economic breakdown and to aid the liberated peoples to produce and to help themselves. We shall provide these necessary operations and as a matter of simple humanity. The people of axis-controlled areas may be assured that when they agree to unconditional surrender they will not be trading axis despotism for ruin under the United Nations.

The record shows that General Eisenhower requested 300,000 tons of foodstuff for the German population and General Eisenhower warned:

The diet available now is less than half of what is regarded as sufficient and may lead to widespread malnutrition and disease inciting to the disorder of desperation during the coming winter.

The record also shows that when General Eisenhower appealed to the Treasury Department to raise its restrictions to permit Americans to send food and clothing to the starving people in Germany, the answer was always that matters of occupation were for the four powers to decide and, of course, we know that it had been agreed that nothing would be done by the four powers unless the decision was unanimous and we know now, as far as the Allied Control Council was concerned in matters of economy, it was purely in the hands of the Harry Dexter White crowd and not in the hands of the military.

And so we go through the winter of 1945–46. Thousands of German women and children are dying from starvation. We finally read that the German people cut down the trees and anything that will burn to keep themselves from freezing to death.

Harry Dexter White left the Treasury Department toward the end of 1945 when the FBI started investigating him but his cohorts were still in control of the Treasury Department and the Congress finally had to amend the Trading With the Enemy Act 6 months later to permit American citizens to send food and clothing and medical supplies to their starving relatives in Germany because Harry Dexter White's cohorts in the Treasury Department still refused to issue a general license.

President Truman was tricked, through lies and deceit, into making statements that there was no starvation in Germany. In January of 1946, some 9 months after the close of the war, when the German people were going through the throes of one of their worst winters without food, clothing, or shelter, our Treasury Department, the Harry Dexter White crowd still there, the Alger Hiss crowd and their fellow travelers, and those who followed their line in the press and radio were still insisting that there was no starvation in Germany. Let the record show, and it is time that it is brought out, that at that time President Truman was misled to such an extent that when a bipartisan committee consisting of the late Senator Kenneth Wherry, Republican, Senator James Eastland, Democrat, and the late Senator Robert La Follette, Independent, went to the White House for a conference with President Truman and told him of the serious conditions they had definite proof existed in Germany. The President told them that the Treasury Department had told him the truth and he did not believe the German people were starving. It was then that more than 30 Senators, Republicans and Democrats alike, agreed that every day as long as it would take for each Senator to speak, the Senate would be concerned with only the problem of starvation in Germany.

When word got to the White House that the first speaker on this gruesome subject was to be Senator CAPEHART from Indiana and that Senator CAPEHART had actually started his first speech, President Truman called in the press and cut the ground out from under the Treasury crowd by stating that there was starvation in Germany and that the American military government would aid the civilian population. But yet even then the Treasury Department refused to issue a general license to American churches and individuals and philanthropic organizations which would permit them to keep the civilian population of Germany from starving, and it was finally necessary for this Congress to amend the Trading With the Enemy Act to make that possible, but that was not accomplished until a year and a half after the close of the war.

I believe that it has never been told on the Senate floor that this distinguished group of Senators called on President Truman in that regard.

We now find that during the same month, January of 1946, when these distinguished Senators called on President Truman, he had on his desk the FBI report that Harry Dexter White was a spy, but I believe that the Presidents' action the next day in putting the lie on the statements by the Treasury Department, that there was no starvation in Germany proves to me that he believed those FBI reports and was going to do everything possible to counteract the damage done by this spy and others associated with him.

At this point I want to say that there is not a single country in the free world that has not been infiltrated by Communist spies and traitors. That is the way the Communists work. They will be found in a Republican administration as they will be found in a Democratic administration, but we must be everlastingly on our guard and must understand the nature of communism and its basic principles. Knowledge of the basic principles of communism is our best defense against internal subversive activities, and every attack on the sanctity of private property must be recognized for what it is.

And so we come to 1947 and 1948. Harry Dexter White was out of the Treasury Department but his associates were still riding high and Alger Hiss and his cohorts were still great men.

I showed how Harry Dexter White sent his Treasury men into every neutral country and forced those in charge of the Germans there to violate their own laws and gave them lists of every German property owner. Little Switzerland was forced by foreign funds control to violate its own banking law, and did so after threats of trade restrictions, after having protested without success for many months to the Hiss crowd in the State Department, and finally gave them the lists of every piece of property and every bank account of every German civilian.

Whom did they send into Switzerland after they had sent Lauchlin Currie? None other than John Carter Vincent, who was one of the most vocal exponents of the line that the Chinese Reds were merely agrarian reformers. He was one of the State Department men who publicly praised the division of Korea after World War II as "an auspicious test of Soviet-American cooperation in the Far East." Everyone knows what happened to us in Korea just a few years after he made that statement. That is the type of men we sent into neutral countries, and remember they did this even before the second Quebec Conference while the Yalta Conference was going on and while the Potsdam Conference was in session. They made it appear that the United States was taking the lead in confiscation throughout the

world and that other countries followed, when in truth and in fact they did not come before this Congress to get confiscation legislation passed until they had acomplished it in the other countries in the world.

This confiscation of properties even in neutral countries was done on the theory that "We do not want the Nazi war criminals to gain from the loot they might have placed in neutral countries." In truth and in fact, it worked out just the other way, and they knew it would work that way. The German civilian who opposed Hitler and who did not want Hitler to use his savings in a war, and who violated Hitler's foreign-exchange laws at the risk of being placed in a concentration camp, to get his few savings out of Germany into a neutral country, was stripped of those possessions—and there were vast numbers of such German civilians. Did Harry Dexter White and others plan to drive them from their friendship to the United States into the Communist camp? Did the Hiss crowd in the State Department, working hand in glove with White, and who turned down every protest of every neutral country against such blackmailing, also plan to drive the German civilian population into the Communist fold?

Was it not Stalin's plan to drive from the minds of men all thoughts of the sanctity of private property, also being worried by these traitors throughout the world at the same time? There simply cannot be any question about it. So the stage was set for such confiscation in the United States. But even this pretense of justice and legality was not enough. They knew that they could not bring about confiscation of such property here unless they tied in a good use of the funds to be confiscated, so they came up with the idea to confiscate all German and Japanese private property in the United States to compensate Americans who were injured by violations of the rules of war. That meant that all such property had to be confiscated first before the compensation could be made. They knew that anyone would be branded a Nazi or a Fascist, the scum of the earth, if he objected to confiscation and to the use of those funds for that purpose.

There is no doubt that every American, no matter how much he may be against confiscation, would want to see his American neighbors who were thus injured fully compensated, or as much as it was humanly possible to do. But the Hiss-White crew knew all along that the German people and the Japanese people abhorred the crimes for which compensation was planned for the American victims, and if given a chance, they would have compensated for them themselves. Let us not forget that immediately after the close of hostilities in Europe the first thing the German civilian population did was to take steps to make restitution as much as possible to all victims of Hitler persecution, Jews and Christians alike. They did make restitution for they abhorred the crimes for which they took the blame. The West German Government has done a remarkable job in making restitution to the victims of Hitler's atrocities and today they are paying $60 million a year to the State of Israel, and as Chancellor Adenauer has said, "As soon as Germany is unified they intend to pay even more."

Yes, Mr. President, the White-Hiss crew and their followers knew full well that no one could object to such confiscatory legislation since the moneys would be used for the veterans. So once again those who ordinarily would have come forward to tell the Congress that the plan was wrong were effectively silenced for fear of being smeared in public press and over the radio. As a consequence, the American Chamber of Commerce kept silent: Leaders of the American Bar Association kept silent: Americans of German and Japanese birth, who tried to provide for their relatives in enemy countries after the war was over, by gifts, legacies, annuities, trusts, insurance policies, et cetera, kept silent and saw their properties confiscated, for they knew that they would be smeared in the public eye even if they only came forward to ask that a distinction be made between property basically and intrinsically American property and that which is basically and intrinsically enemy property.

Whom did the White-Hiss crowd unknowingly and unwittingly use, Mr. President, to carry out their purposes? Certainly there can be no further doubt as to what effect these policies would have and have had on the civilian population of Germany and Japan. They used the American Legion, the Veterans of Foreign Wars, and other veteran organizations; they fooled them, just as they fooled the Congress of the United States, and used the Congress as a cat's paw to further the master plan of the Kremlin—to drive from the minds of men that there is anything sacred about private property. Yes; the White-Hiss crowd achieved their purposes to strip every German civilian, every widow and orphan, of everything, even taking the property of American citizens of German birth who had tried to provide for their mothers, fathers, sisters, brothers, and other kin in Germany by gifts, bequests, trusts, some of them created long before the war. The very men and women in the German civilian population most closely affiliated with ideas and ideals of American democracy, which they learned from their American relatives, the very ones who were the greatest thorn in Hitler's skin during the war—the ones who were subject to discrimination and repressions of all sorts, and who at best were listed by the Gestapo as politically unreliable—the very ones whom we now hope will help us in the defense of the free world. They had their properties confiscated. All those things were done before most people knew or suspected any disloyalty on the part of Alger Hiss, Harry Dexter White, Laurence Duggan, and the rest; and it all happened while Gerhard Eisler, Kremlin Communist agent No. 1, was operating in the United States, pulling all the strings and watching the puppets jump.

When did we Republicans who controlled the 80th Congress pass this confiscation legislation? It happened in 1948 about the same time that the House Un-American Activities Committee first began to investigate Harry Dexter White.

On February 13, 1948, Harry Dexter White appeared before the committee after he had been accused by former Communist agents of belonging to the Communist spy apparatus. In true Communist fashion here is his statement that he made before the committee as taken from the record:

> I should like to state at the start that I am not now and never have been a Communist nor even close to becoming one. I believe in freedom of religion, freedom of speech, freedom of thought. I believe in the goal of equality of opportunity, and the right of each individual to follow the calling of his or her own choice. I believe in the freedom of choice of one's representatives in government, untrammeled by machineguns, secret police or a police state. I am opposed to arbitrary and unwarranted use of power or authority from whatever source or against any individual or group. I believe in a government of law, not of men, where law is above any man, and not any man above the law. I consider these principles sacred, I regard them as the basic fabric of our American way of life.

When the committee members questioned him further about the 8 men and women who were named as Communist spies and had worked for him at the Treasury and 2 others who were his closest friends, White, in true Communist style, admitted that he knew these people but that they were individually, "a very charming fellow," "a very fine chap." "Yes," said the committee, "but some of these people had lost their charm on the witness stand while taking refuge behind the fifth amendment." "Would that influence White's judgment of them?" Well, he didn't know; it was hard to figure what they might have been thinking. "Would he change his mind if he saw a Communist card held by one of them?" Well, again he didn't know. Couldn't a witness perhaps be framed with a forged card?

Three days later he died of a heart attack. In the eyes of a great segment of the press he was a hero. Only a few printed that he died from an overdose of digitalis and very few indicated that it might have been suicide. He was a hero to a large portion of our great American free press and so was Alger Hiss, and so our Republican 80th Congress passed this confiscation legislation.

I say it is time for the Republican Party to purge itself and return to basic American principles in this matter, and I say that it cannot be done unless we return every piece of private property that was confiscated. Of course we are going to have to make provisions for those veterans who were injured by violations of the rules of war, but if we have to take it out of the public Treasury, we Republicans had better do it. I am sure that many Democratic Senators who regret as deeply as do I, that we had traitors in our Government, are fully in agreement on this fundamental point, so vital to the free world. But I also say that we are going to have to have some leadership from the executive branch of the Government, and I am going to get to that point in just a few minutes.

I do not believe that President Eisenhower knows that during that same

period in 1951, at the exact time he was in Germany at the request of President Truman to try to get the West German Government to join the free nations of the world in a mutual defense against communism, there were still men in the Department of Justice, Office of Alien Property, who were playing the Kremlin game and were trying to sabotage what General Eisenhower was trying to do in Germany. Right at the time he was in Frankfurt on January 20, 1951, when he gave an interview to the New York Times, the Department of Justice advertised that they were going to sell the German Embassy located in Washington, D. C. That meant that when a new German Ambassador would come here he would not even have a place to hang his hat. What did the New York Times interview with General Eisenhower state in its issue of January 20, 1951? I would now like to quote what General Eisenhower said:

> I would like to see the German people lined up with others in the defense of the Western type of civilization.

When asked by the press whether he believed the Germans should be mobilized to assist in the western defense, he said, "There is no place for neutrality when civilizations are in conflict." General Eisenhower emphasized, however, that the Germans should be allowed to come into the defense alliance of their own free will. He further said:

> It is silly to think of trying to put them in against their wishes. No soldier loves the front lines. He likes to feel he is fighting for a cause, and no man in the front lines ought to feel he is lacking in that conviction.

While President Eisenhower was in Germany trying to line up Western Germany, that is what the Department of Justice was doing to help him.

The Department of Justice, Office of Alien Property, did sell the German Embassy notwithstanding all protests from many Democratic and Republican Senators alike, and so then it was necessary for us to introduce legislation appropriating $300,000 of the taxpayers' money to give to the Federal Republic of Germany to build a new Embassy so that the Ambassador when he came here would have some place to hang his hat. I introduced that legislation and it became law.

The relentless work of the House Un-American Activities Committee in ferreting out the subversives in our Government finally gave courage to those who knew these policies were wrong to come forward and bring the facts to the Congress of the United States. During the session of the 82d Congress, Senator Herbert O'Conor, of Maryland; Kenneth Wherry and Hugh Butler, of Nebraska, and myself, recognizing the injustices and wrongs that had been done in confiscatory legislation, introduced a bill in the United States Senate, known as S. 2929, providing for the return of seized properties to German civilians, where such property arose by gift, devise, bequest or inheritance from an American citizen, and where such persons proved they were not members of the Nazi party. The bill was sent to the Senate Judiciary Committee under the chairmanship of the late great American Senator, Pat McCarran. The committee held extensive hearings, and, of course, the principal objectors were—you know who, Mr. President—the Office of Alien Property, and they used the patriotic members of the War Claims Commission as their stooges.

The Senate Judiciary Committee, consisting of the honorable Senators Pat McCarran of Nevada, chairman, Harley W. Kilgore of West Virginia, James O. Eastland of Mississippi, Warren G. Magnuson of Washington, Herbert O'Conor of Maryland, Frank P. Graham of North Carolina, Estes Kefauver of Tennessee, Alexander Wiley of Wisconsin, Homer Ferguson of Michigan, Forrest C. Donnell of Missouri, William E. Jenner of Indiana and myself, carefully considered all the objections of the Office of Alien Property Custodian and of the War Claims Commission; and that committee, in its report to the Senate, unanimously waved aside these objections as meritless. The committee had voted unanimously for this amendment to the Trading With the Enemy Act.

When the bill came before the Senate, this body discussed it, adopted the committee report. Although Senator DENNIS CHAVEZ blocked a vote on the bill three times, it finally passed by unanimous vote. The Senate said to the Department of Justice, Office of Alien Property, "You never should have confiscated these properties." The committee report said:

> Such property is not enemy property within the strict sense of the word, nor is it enemy property within the spirit of the Trading With the Enemy Act. It is intrinsically and inherently American property. Said property was amassed and earned in America by American citizens. It remained in this country to aid and abet the Government in the way all property does, to a successful fruition of the war. Certainly, and no one would contend otherwise, it was not the desire of Congress or the people of this country to seize such property.

Now if it is true, and it is true, that it was not the policy of the Congress of the United States nor of the people of the United States to confiscate such property, then whose policy was it? Of course it was Stalin's policy, still carried out in the Department of Justice, Office of Alien Property.

But after this above legislation was passed unanimously in the Senate, the Department of Justice, Office of Alien Property, got it pigeonholed in the House Interstate and Foreign Commerce Committee, which committee was first used as their tool, and the tool of Harry Dexter White, in sponsoring confiscation legislation, and there it died.

In 1953 the identical legislation to return these estates and trusts and proceeds from insurance policies taken from American citizens was being considered once more by the Senate Judiciary Committee, so we requested the advice of the Department of Justice, Office of Alien Property, as to their feeling about this legislation, and to our amazement, we get a reply from the now Republican Department of Justice containing practically the same objections that were made by their Democratic predecessors in that office, notwithstanding the fact that the United States Senate had unanimously passed similar legislation. This was done at the same time the President and Secretary of State were doing everything possible to bring the West German Government into the defense alliance set up by the nations of the free world.

Early in 1953 Chancellor Konrad Adenauer, that stalwart defender of the principles we of the free world hold so dear, paid a visit to President Eisenhower at the White House. There they discussed various problems and Chancellor Adenauer called the attention of the President to the very serious situation his Government was confronted with resulting from the confiscation of all German private assets in the United States and then told President Eisenhower that even up to the time of his visit, the Department of Justice was still vesting German properties. The President could hardly believe this but when he made inquiry, he found out that it was true and he immediately ordered them to stop. When this happened, a number of Senators made inquiry of the White House to get a copy of the President's order and were advised that the President didn't issue a written order. It was simply a verbal order. Why didn't the Department of Justice tell President Eisenhower they were still vesting German properties in 1953? Even the Secretary of State didn't know it. Why didn't they tell the Secretary of State? It shows very plainly here that there has been no teamwork between the Department of Justice and its Office of Alien Property and the Secretary of State's office, and I am afraid this situation is not going to change until we get the operations of the Office of Alien Property in line with our national policy.

During Chancellor Adenauer's visit to President Eisenhower, an announcement was made that the President had ordered the return of 50 boats to West Germany, and I for one am positive that, if the President could have done so, he would have immediately ordered the return of all vested private properties, but he could not do it because we Republicans in the 80th Congress had added section No. 39 to the Trading With the Enemy Act permanently confiscating all German and Japanese property in this country. Sure, we were tricked into doing it, but we did it.

At this point I want to pay particular credit to my distinguished Democratic colleague from New Mexico [Mr. CHAVEZ]. The Senator from New Mexico represents in part a State which had probably more veterans who were cruelly tortured in Japanese prison camps than any other State in the Union. Obviously he was anxious to see that those veterans were compensated for violations of the rules of war and he was for the confiscation legislation tying up the confiscation of German and Japanese private property with the War Claims Act.

On June 27, 1953, Senator CHAVEZ introduced a Senate resolution, I believe it was No. 92, that would return all confiscated private property of German and Japanese citizens, with the exception, of course, of any return to those behind the Iron Curtain. Their properties would be held in trust, and it, of course, prohibited

return to war criminals, which has always been a part of all legislation introduced to return these properties.

The record of the Senate Judiciary Committee will show that at no time prior to the Attorney General's confirmation that Harry Dexter White was a spy, made in November of 1953, did the Department of Justice, under the direction of a Republican Attorney General, ever indicate that it approved any bill under consideration by the committee which would even return part of these confiscated properties.

That is the record, and I am going to tell why.

Because there are men in the Department of Justice and in the Office of Alien Property who have friends in these companies taken over by the Department of Justice who want to hold on to these business plums, and I want to tell you now that even after the Senate Judiciary Subcommittee in its hearings, on November 16, 1953, brought out that the whole confiscation plan was Moscow's plan carried out by Harry Dexter White, as I have detailed in this speech, the Department of Justice, under this Republican administration, still came forward with the old story whe have heard so often before, which is absolutely contrary to the position taken by our Secretary of State, the honorable John Foster Dulles.

The subcommittee was considering the Dirksen bill, Senate bill 3424, now known as the Kilgore-Dirksen bill, Senate bill 995. This original Dirksen bill was carefully drafted by both Republicans and Democrats to amend the Trading With the Enemy Act in such a way to make it conform to those basic American principles of the inviolability of private property. That bill provided that all properties be returned except to war criminals and to Nazis. It also provided that the property of German citizens who are behind the Iron Curtain would be returned some time when they are free, the thought being to give these East Germans, now in slavery, hope and to strengthen their will to resist continued Communist pressure. None of us, of course, want the Communists to get the benefit of any legislation returning private property.

There were some objections to the effect that this Senate bill would return businesses to their private German owners which businesses, it was claimed, were closely connected with our national defense, and that if we did return them, the secrets might get in the hands of the Communists; so the bill carefully provided that, whenever the President of the United States deemed it was in the national interest, a business should not be returned, that German private owners to whom it would be returned would have to dispose of it to Americans. Every safeguard to our national defense was in that bill.

Then I addressed a letter to the Department of Justice concerning this bill, S. 3423, and to my amazement, on June 30, 1954, I received a reply from Mr. William P. Rogers, Deputy Attorney General, and this is what he said:

> This bill raises the following serious questions of policy. (1) The enactment of this bill would reverse United States policy in regard to German and Japanese property vested under the Trading With the Enemy Act during World War II. That policy, as agreed to in the Paris Reparations Agreement with our Western allies and in the Japanese Peace Treaty, contemplates that the United States retain this property as reparations against Germany and Japan.

Let me repeat:

> The Paris Reparations Agreement with our Western allies and in the Japanese Peace Treaty, contemplates that the United States retain this property as reparations against Germany and Japan.

When I read this, I almost fell over. Apparently they still did not know in the Department of Justice, or did not want to admit, that the 80th Republican Congress never confiscated these properties on the basis of reparations.

There were, of course, a few other objections to the bill which in the opinion of most of us was window dressing, and Mr. Rogers closed his letter with this statement:

> In view of the foregoing considerations, the Department of Justice is opposed to enactment of S. 3423.

I made Mr. Rogers' letter a part of the record of the hearings of July 1 and 2, 1954.

Let us see how out-of-step the Department of Justice is with our foreign policy, with the policies of the President, and the policies of our State Department with reference to Western Germany. Remember, I said that letter from Mr. Rogers was dated June 30, 1954. Two days later on July 2, 1954, the Subcommittee of the Judiciary Committee held hearings on S. 3423 and had the great privilege of having the Secretary of State, the Honorable John Foster Dulles, personally appear before the committee, and this is what he told us, I quote from page 159 of the printed report covering the hearings of July 1 and 2, 1954. He begins his statement as follows:

> I would say, first of all, that I consider that it is highly appropriate that the Congress should review our legislative policy in this field. The seizure and disposition of enemy property was made during and immediately after the active war when feelings were influenced by the events of that period. I think it is useful to have a fresh look at what is being done in the light of changing world circumstances and experience in administering the legislation. The Department has submitted a letter to the committee commenting on questions of general principle raised by the bill. I do not want in this preliminary statement to go into the matter in detail, but I would like to comment on a few general aspects of the problem. The policy adopted after World War II of completely eliminating ownership of enemy private property was a departure from historic American policy after other wars.

Let me repeat what Secretary Dulles said:

> The policy adopted after World War II of completely eliminating ownership of enemy private property was a departure from historic American policy after other wars.

What else did Secretary Dulles say? I quote:

> I can say frankly that I would like to see a return to our historic position, the position of the sanctity of private property in time of war, to return to that historic position to the extent that may be practical, although I recognize that there are considerable difficulties in dealing with the matter on that basis after so long a period of time. As I stated in the Department's letter to the committee, to which I referred, there is no objection from any foreign policy viewpoint to the return, as a matter of grace, of vested German property, and of Japanese property. In point of fact, any action of this character would be welcomed by the governments of both the Federal Republic of Germany and Japan as an indication of return to more normal relations, and would, of course, be welcomed by the many owners of the property.

There is the statement of the administration policy in our relation with West Germany. Contrast that statement with the letter from Mr. Rogers, Deputy Attorney General, dated 2 days before.

Now what does Secretary Dulles say about the Paris reparations agreement with reference to S. 3423, which, the Department of Justice said, "Contemplates that the United States retain this property as reparations against Germany and Japan?" I quote Mr. Dulles:

> Yes; I am familiar with that agreement. In my opinion the agreement, whatever its intent may have been as an executive agreement, was without authority whatever to bind the Congress of the United States in this matter. The property had been vested by action of Congress. I believe Congress has the right to decide what to do about the matter.

In a letter which Secretary of State Dulles sent to the committee regarding S. 3423, Secretary Dulles stated as follows:

> Any return which the Congress may see fit to make of assets vested from private individuals and corporations would be consistent with the respect which the United States has traditionally accorded to private property as a general policy and with the practice which has been followed after other wars.

Let me repeat that. Secretary Dulles said:

> Any return of these confiscated private properties would be consistent with the respect which the United States has traditionally accorded to private property as a general policy.

Secretary Dulles continued:

> The return of such assets would of course be welcomed by the countries concerned. However, it appears from the terms of S. 3423 and from the fact that a significant amount of assets have already been liquidated and disposed of that appropriations would be required to implement the policy proposed in the bill.

Secretary Dulles concludes that "in the circumstances, the Department does not feel that it is in a position to endorse any specific proposal for return at this time," but he made it clear that he left this up to Congress and that he wanted to see the Trading With the Enemy Act brought back to basic American principles.

What else does Secretary Dulles say? I quote:

> In the event that the Congress should see fit to provide for return of German and Japanese assets, it may be appropriate to work out some of the terms and conditions with the Governments of the Federal Republic

and of Japan. Negotiations would also probably be required with other governments with which the United States has concluded agreements for their solution of intercustodial conflicts.

I believe from all of this it might be very proper to conclude that the time has come that the Office of Alien Property be removed from the jurisdiction of the Department of Justice and put it in the hands of the Office of the Secretary of State, specifically under Herbert Hoover, Jr., who has had to fight similar confiscation of American private property under the guise of nationalization throughout the world.

It was a great privilege to have our Secretary of State, the Honorable John Foster Dulles, come before the members of the subcommittee of the Judiciary Committee studying the problems of the return of confiscated property and give us his views. It was refreshing to note that he wanted to get back to basic American principles; but there was one thing that was most disconcerting about his appearance, and that was the following statement, which was later corrected. I say disconcerting because it established beyond a doubt that the Department of Justice, Office of Alien Property, and some people in the State Department, are not giving the Secretary of State the facts as to what is happening in our foreign relations with even neutral countries, because we still continue to hold on to these confiscated properties.

I want to quote from the record now. At the conclusion of Mr. Dulles' appearance, he was asked the following question:

One further thing, Mr. Secretary, on a different line of questioning. Some of this property which is now vested by the Office of Alien Property was held as record owners by certain Swiss people. Has it caused this Nation any difficulties in its relations with Switzerland that these properties were being retained?

Secretary Dulles replied:

It has not been a difficulty which has reached my personal attention.

This question must have disturbed Mr. Dulles, and his answer must have disturbed him, for subsequently the committee received the following statement from the Department of State:

This problem has raised difficulties in our relations with Switzerland. In view of the great demand on the Secretary's time, however, they were not brought to his personal attention, and he was, consequently, unaware of them. The Swiss Minister in Washington and members of the Swiss Legation staff have made numerous representations on this problem over a number of years, particularly in respect to the General Aniline & Film Corp. case, which still remains in litigation. The Swiss view this case as being most serious. Efforts to find a solution have not been successful, and the problem continues to disturb our relations with Switzerland.

And yet when Secretary Dulles appeared before the committee he said that—

It has not been a difficulty which has reached my personal attention.

I am sure that our Secretary of State, or the Under Secretary, would dispose of all our problems with the Swiss if the entire Office of Alien Property were under their jurisdiction.

Here is the second time the Secretary of State has been kept in the dark as to what our continued withholding of these properties is doing to our foreign relations, just like the President and the Secretary of State did not know until Chancellor Adenauer was here that the Office of Alien Property was still confiscating German private properties. Someone is deliberately keeping all these facts from the Secretary of State and from the President.

It is high time to integrate the operations of the Department of Justice's Office of Alien Property with the operations of the Department of State so that matters may be handled through diplomatic channels and the problem of paying American war veterans for violations of the rules of war may be handled through diplomatic channels. I am convinced that the Adenauer government would welcome an opportunity to enter into an agreement with the Secretary of State to pay the claims of Americans who were injured by the violations of the rules of war by the Nazis if, at the same time, the Secretary of State would enter into an agreement to recommend to Congress the full return of all these confiscated private properties instead of what we finally got as a recommendation from the Secretary of State and the President to water down our principles and merely return up to $10,000 and that only to individuals with no return of stock, businesses, patents, copyrights, corporations or anything else, which is a far cry from what Secretary Dulles said before our committee.

It is said that we were presented with such a watered-down program because some of our allies objected to full return. It is claimed that the Dutch were against full return at the time. I cannot imagine the grand and marvelous nation of the Netherlands whose reputation and wealth have been based on the industry and integrity of her people, repudiating the principle of honorable conduct under which she has achieved economic greatness. The solid Dutchman, of all people, beyond any question will say that principles are principles and that they must be observed. If there are any Dutchmen who succumbed to the argument of expediency, and I do not believe that they ever existed in significant numbers, I am sure they are silent today. In the delicate and difficult negotiations with the Indonesians now going on, where will these thrifty investors of Holland be with respect to their investments in Indonesia, if, the Dutch themselves provide precedents for the disregard of the principle of the sanctity of private property and want us to follow such a policy which we must reject in full?

In the light of these developments, I am sure the Dutch will not again object to the United States returning to basic principles of morality.

Let us not forget that it was the Republican 80th Congress which passed that confiscation legislation, and every Republican now in the Senate and in the House has a right to ask the Republicans in the executive branch of the Government to help us solve this problem and solve it in the American way, and not make a partial return on a basis of hardship but return all confiscated private property, thus reestablishing American principles. I say that cannot be accomplished unless the matter is taken out of the hands of the Department of Justice and placed in the hands of the Department of State. Obstructionism on the part of the Department of Justice will then be ended.

I for one, thought when Mr. Dallas Townsend was recommended for the high office of the Director of the Office of Alien Property and Assistant Attorney General, that here we were going to get a man who understood communism and how it works. My reason for believing this was that I knew he had been on the Allied Control Commission for Hungary which was taken over by the Communists, lock, stock and barrel, so when he testified before our subcommittee under date of May 19, 1953, that "he was appointed with the United States representation on the Allied Control Commission for Hungary, and that he was the second ranking officer on it out of the four representatives," I thought surely now we had a man who would give proper direction in that office. Let me make this clear. Mr. Townsend is a close, personal friend of mine. He and I were classmates at Columbia University. His wife and mine were classmates at the same college. He is an excellent lawyer with a fine reputation, and I would not want to do anything to cast reflections on him. It should be remembered that Mr. Townsend's appearance before the subcommittee was his initial experience of that kind. Undoubtedly, he was nervous and inexpert in expressing himself to such an unfamiliar group. My guess is that in his nervousness he overlooked his responsibility to notify us of the events in Hungary while he was there; but he should have so notified us, if not then, at least at a later date. Let me explain.

Remember, that was May 19, 1953. Our subcommittee already had much of the proof that the confiscation policy was made by Harry Dexter White and of course knew that Harry Dexter White was a spy. The Attorney General, on November 8, 1953, brought out that Harry Dexter White was a spy, and on the 16th of November 1953, we in the subcommittee produced conclusive proof that the entire confiscation policy was made in the Treasury Department by Harry Dexter White, following the doctrine of Stalin; so, many of us felt that Mr. Dallas Townsend was an ideal man to head the Office of Alien Property and that he would give that Office proper direction; that he would come before the committee and tell us that confiscation was basic Communist policy and that he would tell us while he was a member of the Allied Control Commission for Hungary he saw how the Communist operated there. Hungary was occupied solely by the Russians. He should have told us some of the things that another man, who was on that same Allied committee, told the Select Committee on Communist Aggression when they were investigating the Communist takeover and occupation of Hungary. Mr. Town-

send's associate in Hungary was General Stokes. Mr. Townsend should have appeared before that committee. He did not, but General Stokes did, and here is what General Stokes said. I quote from Senate Report No. 10 of the Communist takeover and occupation of Hungary:

The Chairman of the Allied Control Commission was the Russian, Marshal Voroshilov, and later his deputy, General Svirodov. If the Hungarian Government desired anything put on the agenda, of course they submitted that item to the Chairman. In Hungary it was a permanent chairmanship by the Soviet representative.

Let us see what else that report of the Communist takeover and occupation of Hungary had to say; but, before we do, let us see what all the American representatives on that Allied Control Commission for Hungary had to do. They dealt with principally two subjects: Restitution and reparations. Restitution to whom? Restitution to all people who had had their property confiscated by the Nazis, and these were principally Jews. Remember, we provided in the Hungarian armistice agreement, as we have provided in all other agreements, that restitution would be made to the Jewish people all over who had had their properties confiscated by the Nazis. Now, let us read page 15 of the report of the Communist takeover and occupation of Hungary. I quote:

The Allied Central Commission had American and British sections but for all practical purposes it was run exclusively by the Russians, yet in the name of the three major allies. In the entire armistice period, part of the Soviet technique in Hungary was to act in the name of the three major allies while keeping Britain and the United States from effective action. The Russians always barred joint action, invoking either the exclusive rights of an occupying power or the independence of the Hungarian state. Voroshilov was at the same time commander in chief of the Soviet military forces in Hungary. To evade all Western intervention, he or his deputy usually omitted to explain whether he addressed his demands to the Hungarian Government in the name of the ACC or as the commander in chief of the occupying forces.

So they were sovietizing Hungary, and how did they make restitution to the Jews whose property had been confiscated by the Nazis in Hungary? I read from special report No. 2 of the Select Committee on Communist Aggression entitled "Treatment of the Jews Under Communism." Remember this happened in Hungary when Mr. Dallas Townsend was on the Allied Control Commission in Hungary, but he never told us anything about the Communists in Hungary and how communism was based on the destruction of all private property rights throughout the world.

Now let us see how Stalin made restitution of the private property of Jews that had been confiscated by the Nazis when they returned to Hungary.

On page 20 of the above report referred to, we have the testimony of Dr. Zoltan Klair, a former leader of Hungarian Jews. Here is his testimony:

We learned that those Jews who were returning from German concentration camps were held up at the frontier of Hungary and sent directly to Siberia, even the women. Later we had 14,000 names with all the data. In sum total, however, many more were deported to Russia, at least 40,000 Jewish men and women suffered in Hitler's concentration camps and finally survived with terrible difficulty and by exceptional and special grace of God.

Now, what else does that report say? I quote:

In the meantime, those Jewish survivors who were able to reach their homes found their property confiscated, their houses expropriated, their apartments occupied by strangers, their furniture and household goods scattered, their jobs taken by other persons. Living in starvation and misery, most of them were able to keep body and soul together only thanks to the help organized by American Jewish relief organizations.

The Russians agreed that restitution of all this confiscated private property would be made. We should have known they would never do it. We should have known it was contrary to basic Communist doctrine.

And yet it is whispered about that some Jewish people are against returning the private properties from the German people. Anyone who makes this charge impugns both the principles and the tradition of that great people.

John Adams said a century ago:

The moment the idea is admitted into society, that property is not as sacred as the laws of God, that there is not a force of law and public justice to protect it, anarchy and tyranny commence. If "thou shalt not covet" and "thou shalt not steal" were not commandments of Heaven, they must be made inviolable precepts in every society, before it can be civilized or made free.

He was speaking of the moral law of the Jewish people. To charge a believer of the Jewish faith with favoring confiscation, is to charge him with being false to his beliefs.

No people more than the Jews have suffered from failure of others to observe these principles. No people is more qualified by experience to know the tragic consequences of the disregard of such principles. No people has a higher proportion engaged in trade and commerce, and therefore, no people has more to lose from the impairment of the moral principle that private property must be held inviolate not only from the acts of men but also from the acts of government.

To accuse the Jewish people of being advocates of confiscation is to charge them with disregard of their religious principles, with ignoring lessons of recent and tragic history, in which they, in so many instances, were themselves the victims, and with being blind to the future dangers which similar disregard of fundamental principles may bring. Such charges are unfounded, nonsense, and a baseless attack on the integrity, wisdom, and commonsense of a great people.

Mr. Dallas Townsend was in Hungary when the newspapers were so-called nationalized, the banks robbed and nationalized, the safety deposit boxes of Hungarian people broken into, and the personal property of Hungarian people taken away, and the Jews who returned to Hungary, to claim what was theirs, were being sent to Siberia.

Now, I wish to go back once more to the special report No. 10 of the Select Committee on Communist Aggression entitled "Communist Takeover and Occupation of Hungary," and I quote as follows:

Thus after Potsdam, Soviet Russia claimed to be the owner of a considerable part of the Hungarian economy. Unfortunately, the agreement didn't specify what should be regarded as German assets. So that, for instance, assets which had been forcibly confiscated by the Nazis and which had belonged to French, Americans, Jewish people, and so on, the Russians termed German assets.

What does this report state further? I quote:

Thus, during the armistice period, the Hungarian economy was well prepared for further Sovietization and integration with the U. S. S. R.

I said that when Mr. Dallas Townsend was appointed to the Office of Alien Property I was of the opinion that with his background and with his information on communism in Hungary he would come forward and tell us that surely he knew, at least after November of 1953 when the Senate committee exposed Harry Dexter White and established that the confiscation policy was Moscow policy carried out by Harry Dexter White, and that he actually saw the Communist plan operated in Hungary. I regret to say he did not, and when he did come before the committee, what did he talk about? Mostly about how well the companies owned by German civilians which the Department of Justice was operating were doing, and that it would be a windfall to return those properties to their rightful owners.

What does the Chicago Tribune say about the Department of Justice's position in that regard? I quote:

How the millions got into American pockets does not bother the Justice Department, nor is it explained why it is a windfall for the victim of a robbery to get back what was taken from him.

We cannot overstress that the first offense of the doctrine of confiscation is that it is immoral—that it is wrong. Only after that should we take up its errors on the ground that it leads to chaos and confusion and strikes at the basis of our economic system.

The consequences of this vicious doctrine were pointed out many years ago by Pope Leo XIII, the famous pontiff of the workers in his great encyclical on labor.

Thus it is clear—

Pope Leo said—

that the main tenet of socialism, the community of goods, must be utterly rejected; for it would injure those whom it is intended to benefit, it would be contrary to the natural rights of mankind, and it would introduce confusion and disorder into the commonwealth. Our first and most fundamental principle, therefore, when we undertake to alleviate the conditions of the masses, must be the inviolability of private property.

I say that Pope Leo's statement of the consequences of confiscation, over 60 years ago, is a letter-perfect description of the mess we find in the Department of Justice, Office of Alien Property, today. The rights of the individual are violated and chaos and confusion reign.

We have listened, in the Judiciary Committee, to the testimony of many officials of the Department of Justice, Office of Alien Property, in the past few years. Uniformly they have testified to the enormity and complexity of the problem and how much bigger a force it would take to solve it. Not one that I have heard has challenged the principle of the inviolability of private property. None has dared to do that. But no sane man can escape the conclusion that what they proposed to do rides roughshod over that principle. And there lies the heart of the alien-property mess. They propose that we give lip service to the inviolability of private property while our actions ignore it altogether. This situation has led to chaos and confusion. Seeming compliance with just principles followed by complete disregard of them is always a complex undertaking.

The alien-property problem is simple enough if we live up to the just principles of morality. If we do that, then this never-ending mess will be over.

I am amazed at the silence of American big businesses in this matter. I have often been accused that I am against big businesses but my record will show I am only against big businesses when they do not do what is right, when they enter into monopolistic practices and compromise basic principles and thus bring about in the end their own downfall and the downfall of personal freedom by destruction of equality of opportunity under the free-enterprise system which is the basis of our liberty.

I am now going to talk to big business, which, after all, is nothing more than millions of Americans who have placed their savings into shares of stock in these companies. Within the last few months you have read in the Wall Street Journal about methods of taxation in Japan on American capital investments in that country, and another article that appeared in the New York Times issue of June 5, 1955. As I read these articles, I asked myself "Why is it happening?" The articles imply that tax methods are being used in Japan which seem to have as their ultimate purpose the driving of American business out of Japan. I ask, Are not all of us being just a little bit naive in that conclusion? We cannot expect to confiscate private property and not get some form of retaliation when we only speak of high moral principles but do not practice them.

Since the end of World War II, practically every company whose stock is listed on the New York Stock Exchange and many thousands of small corporations have made investments in West Germany in plant and equipment. I say that practically every company listed on the New York Stock Exchange, the oils, the chemicals, the industrials, and practically all the rest with the exception of the rails, and perhaps utilities, have huge investments in Western Germany. Many millions of American citizens have a stake in those investments. Even if an American does not own a share of stock in these companies, if he owns a life-insurance policy he has an interest in those businesses in West Germany because the life-insurance companies have made huge loans to these American business corporations, which in turn invested these funds in Western Germany, in plant and equipment. Private American capital in the Federal Republic of Germany is valued at between $300 million and $400 million, but the present worth might well be double those figures.

American capital in West Germany received preferential treatment, taxwise, after World War II. Conditions in West Germany were so bad at the end of the war, with about one-third of the people actually being "have-nots" who had lost everything and were practically ready for communism, that the other two-thirds had to pay; and so they passed the "lastungausgleichs" tax. That means an "equalization of burdens tax" so that men who lost their houses or their plants could get new houses and plants out of the tax paid by his neighbor whose house or plant was not destroyed. American business enterprises in Germany were exempt from this tax for 6 years, but on May 31, this year, they will have to pay as do all other German property owners. This tax exemption for 6 years made it possible for American companies to expand tremendously in West Germany and it also made it more difficult for purely German companies to compete.

Now, let me tell you, Mr. Big Business Man, all of you who have done so little to help your German partner, the West German Government, in its effort to solve this problem, to get back to basic principles; the American people ought to know, and I am going to tell them now, that when Harry Dexter White gave his Communist bosses the plates from which to print millions and millions of occupation currency which resulted first in inflation and then in devaluation, you American businessmen once more got preferential treatment. With the devaluation the German citizen got 1 mark for each 10 he had—but American investors got special treatment, with only devaluation in part.

Now I want to quote from the New York Times article of March 8, 1954, a statement by Chancellor Konrad Adenauer:

> The destruction of the principles of private property has increased the dangers of communism in Germany and has shaken the confidence in the principles of the Western World.

What do you big American business people who have put the money of your American stockholders into investments in West Germany have to say about this? Are you still merely going to pay lipservice to the policies of holding private property inviolate? Do you not think you ought to take this up with the Secretary of Commerce and get him interested in this problem, and do you not think this matter ought to be taken out of the hands of the Justice Department and put in the hands of the Office of the Secretary of State?

I want to continue with the quotation from Chancellor Adenauer which appeared in the New York Times of March 8, 1954:

> Any just solution of this question will strengthen the confidence of the German people in the principles of the free world, will make fast the friendship between the American and German peoples and will relieve the German Government of a great worry.

Let me repeat the last part, "and will relieve the German Government of a great worry."

What is that worry that Mr. Adenauer talks about? Could it be that he was referring to some talk in Germany to the effect that "We have waited long enough to get back our private properties"? Talk to the effect that "The Americans tell us that under the Bonn agreement which we signed the German Government has to make good on the properties the Americans confiscated"? Talk to the effect that "They tell us we are partners in the defense of the free world, a part of NATO, and that our boys will have to carry the first brunt of a Communist attack if it comes"?

Can you not hear them say, "We have given Chancellor Adenauer, the grand old man, plenty of time to work this out with the United States and he has not been able to do it because of the continued obstruction tactics of the Department of Justice, so maybe we should put a capital tax payable each year on all foreign investments in Germany to create a fund from which to make restitution?"

The Bonn agreements of 1952, as amended by the Paris protocol of 1954, Senate Document No. 11, 84th Congress, 1st session, provides in article 5 that the West German Republic "shall insure that the former owners of property seized be compensated for the loss of their properties."

Having, in effect, imposed a 100-percent capital tax on German investors in the United States, this country can hardly object to some form of capital tax on American investments in Germany. Could there be any legal objection if such a tax were confined to nationals of those nations which themselves employ confiscation?

Can we expect to avoid the inevitable burden and expenses of exhaustive reports, of bureaucratic investigations, and redtape, and of ex-parte proceedings, inasmuch as we ourselves provide precedents for them?

Thus it may well be that unless these problems are solved, General Motors, International Business Machines, General Electric, Ford, International Harvester, Standard Oil, and the other American oil companies in Germany, tire companies, Woolworth, and even such companies as Coca-Cola, to name only a few of the great American businesses which have extensive interests in Germany, and countless small American investors and propertyholders in Germany, may some day bear the costs of our policy of confiscation. This consequence is a foreseeable one. It is the consequence to be expected when we open Pandora's box by ignoring first principles. First principles are either observed in full or they are violated. Partial performance of them is simply not enough.

I am sure that the Adenauer government would never tolerate such legislation for one moment, but let us remember, there are opposition parties in West Germany and Chancellor Adenauer, 80 years of age, can't live forever. Let us

hope and pray he will live a good many more years and that when he is called to his great reward he will be succeeded by men of the same high moral fiber. Read the article on American business in Germany published in the Wall Street Journal of September 8, 1955. I request that this article be made a part of this record at this point. It tells about some of our investments in Germany.

I want to quote further from the New York Times of March 8, 1954, when Chancellor Adenauer said:

The return of the confiscated property to its former owners would prove to all Germans and particularly the tens of thousands of victims of confiscation, that the governments of the Western World, even after a war, observe the principles on which international law and democracy are based.

So that you American businessmen who are guardians of the American citizens' investments in West Germany may know how other countries have approached this problem, let me give you the following facts we could not get out of the Department of Justice. They did not what countries returned private properties of German citizens which they had confiscated. All they knew was that we still had a so-called agreement on reparations. So, Mr. American businessman, let me list them for you. They have returned to the basic principle of holding private property inviolate. Some had passed confiscation legislation under the direction of Harry Dexter White and his coworkers and some had to repeal that legislation by passing restitution laws. Others returned it by administrative measures. Now here is the list of nations that have made restitution in whole or in part to this date: Bolivia, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, Greece, Haiti, Mexico, Nicaragua, Paraguay, Peru, Switzerland, Uruguay, Luxembourg, Norway, and the Union of South Africa.

I am determined that this whole matter shall be brought to the attention of the directors and officers of every big American company which has an interest in business enterprises in Germany. That is a huge undertaking but I ask my colleagues in view of the fact that it will be entirely too much work for my staff alone, if they will be kind enough to offer the help of their staffs to bring this important matter to the attention of these businessmen. Any help my colleagues will give me in this important work will be deeply appreciated. I am sure I will receive the support of many Senators to aid me in carrying out this educational program.

Mr. Big Businessman, you ought to wise up. You are partners in the free enterprise system. The labor unions know what this is all about. The workingman knows what it is all about. Now, why do you not wake up and get busy and get to work on the Secretary of Commerce, on the Secretary of State, and on the President of the United States to straighten out this mess? We ought to remove the office of the Alien Property Custodian from the Department of Justice and put it in the hands of the Secretary of State and under the expert guidance of Herbert Hoover, Jr., who I am sure can work out these problems. I said that the American workingman knows what is going on, and they fearlessly take a stand because they know under communism labor as well as capital is in slavery.

Here is what Mr. George Meany, president of the AFL-CIO said before the National Religion and Labor Foundation only a little over a month ago, December 13, 1955; and I quote from his speech:

Human rights are the first bridge and binding force between the free labor movement and religion. We, of free labor, reject and abhor Lenin's doctrine that "religion is the opium of the people." We also brand as sheer idiocy Lenin's dogma that "religion is a kind of spiritual vodka in which the slaves of capital drown their human shape and their claims to any decent life."

What else did Mr. Meany say? He said:

Without human rights, there can be no elevation but only the degradation and oppression of the individual human being.

Referring to the Communist conspiracy, Mr. Meany says:

This worldwide conspiracy is a vast antimoral movement. Its philosophy is antimoral, for with it—the end justifies any and all means. It sneers at our most cherished moral values as decadence and weakness. Its source of inspiration and ultimate goal is crude force, the power of violence, unlimited totalitarian terror over the individual who is denied all protection of law, religion and free labor organization.

The present crisis is not only political. It is above all a moral crisis. No one can separate these features of the crisis of our times. If a democratic Russia had played as important a role in defeating Hitler, the post-victory claims and counterclaims could have been settled through the normal channels of statesmanship and diplomatic negotiations. If Russia were not a totalitarian dictatorship, a huge imperialist power with a world ambition and mission, we would not be facing today a worldwide fifth column, the international Communist conspiracy.

I say, Mr. Meany is right. And the basic aim of that conspiracy is to destroy private property rights throughout the world—a complete rejection of moral principles. This is what Mr. Meany says about the weaknesses in our moral and intellectual armor:

It would be wrong to think that the weakness of the free world in the face of the Communist onslaught has been only military. If it were that simple, there would be nothing to worry about. We have grave weaknesses in our social and economic armor. We have especially serious weaknesses in our moral and intellectual armor.

Too many in the free world fail to see the real nature of communism as the mortal foe of everything that we hold dear, of every moral and spiritual value. Too many in the free world are still prisoners of the illusion that communism is, historically speaking, a progressive system—extreme liberalism temporarily making bad mistakes. Actually, communism represents darkest reaction. It is an antisocial system in which there are imbedded some of the worst features of savagery, slavery, feudalism, and life-sapping exploitation manifested in the industrial revolution of early day capitalism.

And what did Mr. Meany say about our loss of moral indignation?

Too many in the free world seem to have lost their capacity for moral indignation against the most brutal inhumanities when they are perpetrated by Communists. It is painful, but we must face the cruel facts of life. We of the democratic camp must develop a far more vigorous moral attitude. We must rekindle our capacity to cry out against, to protest against, the godless dogmas and savage crimes being perpetrated by Moscow. Such struggles and such protests are not negative actions. They are more positive and constructive than a total struggle against the totalitarian cancer in the body-politic of modern society.

And then how does he protest against Stalin's plan for slave labor put into effect by Harry Dexter White and the other traitors we had in our Government—and remember that Harry Dexter White was responsible for the loss of many many thousands of lives of American soldiers, because when that so-called Morgenthau plan was announced, the Germans fought on and felt they could not surrender because American despotism would have been no different from Communist despotism. This is what Mr. Meany said:

And the Communist imprisonment of hundreds of thousands of hostages—so-called war prisoners—10 years after the close of the war, in violation of every human right and international agreement—is morally reprehensible. One would expect the true liberal to cry out in protest against human beings being carted, tagged, and shuttled about for weeks in railyards of Russia, as if they were carloads of coal or bags of potatoes. Not until we of the free world can give rebirth to a vibrant moral attitude, to a burning indignation against such frightful bestialities, can the freedom-loving people be sufficiently stirred to gather the moral strength for resisting and defeating the totally antimoral dogmas and deeds of communism at home and abroad. Yes, this means above all a moral struggle against communism.

And what does Mr. Meany say about getting back to basic principles? This is what he said:

Much more regard must be shown by the democracies for principles—for the principles of human rights and human freedom. We must never sacrifice principles to expediency. This means being rigid in support of our principles.

What else does he say that these big businessmen who are the guardians of the investments of the American people in Western Germany ought to take to heart? He concluded his speech with the following:

In conclusion, I cannot emphasize too strongly to you: the conflict between communism and freedom is the problem of our time. It overshadows all other problems. This conflict mirrors our age, its toils, its tensions, its troubles and its tasks. On the outcome of this conflict, depends the future of all mankind. I pray that, on the threshhold of the atomic age, we of the free world can muster the moral courage and total strength to preserve the peace and promote the freedom of the men and women of every continent, color and creed.

The Secretary of State wants to return to basic American principles. The Department of Justice does not. And so what agenda do we get from the Secretary of State and from the President?

A watered-down program of our principles under which legislation is recommended to Congress to return a maximum $10,000 of their confiscated properties to any one individual. No return of stocks or bonds, because the Department of Justice still wants to hold onto these business plums. No return of patents, copyrights and a continuance of the sale of German property—liquidation of German private properties. And now the Department of Justice wants to make it look as if the West German Government accepted that kind of program.

To clarify that point, the Senator from South Carolina [Mr. JOHNSTON], wrote a letter to Mr. Hermann J. Abs, who was on the German delegation sent over here by Chancellor Adenauer to work out all these problems. The Senator's letter of December 9, 1955, asked whether the West German Government had agreed that this matter would be finally settled through the acceptance of the $10,000 plan, and I ask unanimous consent that his letter to Mr. Abs be made a part of the RECORD at this point. Mr. Abs replied on December 28, 1955, and I will quote parts of it and ask that the remainder of it be made a part of the RECORD at this point.

The PRESIDING OFFICER (Mr. DANIEL in the chair). Is there objection?

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

FRANKFURT, *December 28, 1955.*

Senator OLIN D. JOHNSTON,
Chairman, Subcommittee on Trading With the Enemy Act of the Committee on the Judiciary, United States Senate, Washington, D. C.

DEAR SENATOR JOHNSTON: I received with thanks your letter of December 9, 1955, and I am very happy to be able to answer the questions you put forward concerning the problem of German private property vested in your country during the Second World War. From the hearings of November 29 and 30 I learned that the Subcommittee on Trading with the Enemy Act under your excellent guidance has done admirable work in thoroughly investigating some of the most important aspects of the problem, so as to build up an objective judgment of the case. That is why I am so pleased to give you and your Committee all the answers which you may find necessary, even beyond the matters you referred to in your letter.

1. The answer to your first question, whether the contemplated return of $10,000 maximum to individuals was, in the German view, merely the first step in the return of such properties and not the final and only return to be made and that full return was a question left entirely open, is definitely yes.

You may have heard that after the termination of the Washington discussions in February and March 1955, some American circles, especially within the Departments concerned, expressed the view that the German delegation and the German Government were satisfied fully with the abovementioned $10,000 plan as a final solution of the property problem. As soon as I heard about it I felt obliged to deny this opinion most emphatically. First of all I did so in a letter addressed to Mr. Walworth Barbour who was the leader of the American delegation during our talks in Washington. Secondly, I informed the press accordingly, and finally I referred to the matter in a number of lectures and articles.

It is true that the $10,000 plan was welcomed by the German delegation and also by the German Government and the Chancellor since by proposing this plan the United States Government undertook a preliminary step in reversing their confiscation policies as to former enemy property. On the other hand, it is clearly to be seen from the records of the Washington talks that the German delegation and myself as special representative of Chancellor Adenauer have repeatedly expressed the opinion, not only in the opening statement but also in the final statement, that only a full return would satisfy the German wishes. In the joint press communique which was published at the end of the Washington talks, too, it was also clearly referred to the fact that the German delegation had "expressed the desire for a broader solution of the property problem," and that they considered the United States plan, in the light of prevailing circumstances, to be a constructive step in the solution of the problem.

I do not think, if one reads the documents of the Washington talks carefully, that anybody could find anything in them to prove that the German delegation accepted the $10,000 plan as a definite settlement. On the contrary.

There is a further proof: The Washington talks had not the character of true negotiations. The plan was put forward to the German delegation as a result of a prior decision taken by the American Cabinet and never was altered. The object of the talks was merely to discuss with the representatives of the United States Government the views of each side on the solution of the problem. This has been explicitly confirmed by Mr. Barbour. For this reason there was no substance at all in accepting the United States plan, quite apart from the fact that the German delegation had not the right to do so because the settlement of American war-damage claims was a substantial part of the plan, and any consideration or settlement of such claims, as you know, is forbidden by article 5 of the London Debt Agreement.

In these circumstances only two ways were left open to the German delegation to react to the United States plan put before them: Either to reject it definitely or to welcome it as a first step, trying to leave the door open for later discussion of a broader return program. To reject the plan altogether would have been unwise and would have been detrimental to the friendly relations between your country and mine, all the more so as we had and still have the distinct impression that with the $10,000 plan the United States Government wished to underline their desire to strengthen the friendly ties betwen the two countries. On my return from Washington I was asked by quite a number of journalists, businessmen, and politicians why I had not rejected the small solution, which proves that there was no satisfaction with it whatsoever in the German public. In my answer I referred to the above-mentioned reasoning and added that, to my mind, welcoming the plan as a positive step toward the solution of the property problem was a far better kind of reaction than a flat refusal. In fact, not only the German delegation (viz, Joint Press Communique of March 4, 1955) but also Chancellor Adenauer (in his letter to Mr. John Foster Dulles of March 30, 1955) expressed the opinion that they considered the plan a constructive step in the solution of the property issue. What a step means I think should be clear to everyone, and I wonder for what reasons Mr. Murphy in his statement before the hearings of November 29 created the impression that there was complete satisfaction on the German side with the $10,000 plan.

In this connection I may remind you of the American-Chinese negotiations on the release of a number of American airmen captured by Red China. When Red China formally offered the release of some of these airmen the United States Government welcomed this offer as a first step. Nobody in the United States would have understood the Government if they had rejected the partial release for the reason that Red China had not offered to release all of the prisoners, and, secondly, nobody in the United States or elsewhere interpreted the phrase "first step" as the expression of the United States Government's view that they waived their claims as to the release of the remaining soldiers.

In both cases there was the desire on the German respectively on the American side to keep the problem alive and to aim at a full settlement of the case.

In our case, the door to further discussions definitely was left open:

(a) In his final statement of March 3, 1955, Mr. Barbour said: "With regard to your remarks on the possibility of a further return program being adopted in the future I would like to point out that our proposal is as far as we feel we can go in making recommendations to Congress in the light of the considerations I have mentioned. You appreciate, however, that the proposal was made on a unilateral basis as a matter of grace and therefore should not be considered a firm commitment by this Government. I recognize, on the other hand, that the program, if adopted by Congress and carried out, in no way commits the Federal Government to adopt it as a final settlement of the problem. Whether a new factual situation will develop which will render further action possible is a matter for the future to determine."

(b) In several private talks with Mr. Barbour during the Washington discussions he declared that the American Government did not expect the German Government to accept the $10,000 plan as a final solution. He fully complied with my earnest desire to have the door left open for further discussions while, for the time being, the administration could not envisage a broader plan.

(c) The same meaning is expressed in the joint-press communique of March 4, 1955, which you will find in the records of our Washington discussions. In this communique there is no wording which might imply that the door had been closed for future discussion of a broader return program. On the contrary. The phrase "while the future cannot be predicted" was nothing else but the reflection of the prior discussions and my private talks with Mr. Barbour.

My report to Chancellor Adenauer on my return from Washington was on the same lines as expressed above. Therefore, the Chancellor, too, adopted the position taken in Washington and, consequently, in his letter to Mr. John Foster Dulles of March 30, 1955, said: "The Federal Government believes that the result of the talks is a constructive step on the way to the solution of a problem which for years has been a matter of concern to the Federal Government and the general public." Later on in a talk last summer with Congressman HAYS, Donovan and Seldon, Chancellor Adenauer said that he and the German public, while welcoming warmly the $10,000 proposal, were not satisfied with it as a final solution of the problem. Furthermore you will remember that Chancellor Adenauer in his letter of July 17, 1954, to President Eisenhower not only referred to the hardships which had been suffered by owners of small properties, but also to the property of those German individuals and corporations who by investing their capital in the United States in prewar times had contributed and wished to contribute towards friendly relations between the two countries and their peoples. Now, since the $10,000 plan only envisages returns to individuals and not to corporations, there is no wonder that Chancellor

Adenauer was not satisfied and that he hoped for an eventual outcome of a broader solution. But again, from the records of the last hearings and also from the covering letter of Mr. John Foster Dulles with which he introduced the bill No. 2227 into Congress, I take that the State Department only mentioned that part of the letter of Chancellor Adenauer which deals with the hardship cases.

2. It is the decided position of the German Government that the principle of the inviolability of private property calls for a full return of vested German assets. This, naturally, refers only to assets acquired rightfully. I stressed this point of principle not only in my statements during the Washington talks but also in several lectures and press conferences I held after my return from the States. In particular, in a speech I made at Bad Homburg on June 4, 1955, I said:

"The German position was and is that the seized property should be returned to its private owners because the principle of the sanctity of private property requires such return. This position was taken because it is required as a matter of sound morality, of international law, and of German domestic law. It, moreover, is consistent with the position of the United States from the time that country became a nation until World War II, a position which the great authorities of that country took also because moral principles and international law required that it be taken."

In my opening statement made in Washington I referred to the traditional American philosophy of respect for the human being and its private rights, quoting a number of great Americans like Alexander Hamilton, Cordell Hull, Bernard Baruch, and John Foster Dulles, Acting Secretary of State of the United States.

When the United States Department of State sought relief for the property of the United Fruit Corp. which had been seized by the Government of Guatemala, it took the same position. I may refer in this respect to an aide memoire of the Department of State of August 28, 1953, which I mentioned also in the Bad Homburg speech.

During the Washington talks I declared repeatedly that not only the principle of the sanctity of private property called for return, a principle which distinguishes our western philosophy from that of the eastern block, but also the self-interest of those nations and in particular of the United States who have made and are maintaining large investments in foreign countries. These investments are endangered if the respect for human rights and private property is not fully adhered to by those countries who, in the minds of the world, are predominant politically and economically. The foreign investments of private United States capital amount to about $26 billion. Foreign investments of other countries amount to similar values if one compares them with the gross national income of these countries. How can these investments be better protected than by full compliance with the principle of the sanctity of private property on the part of the investing countries themselves?

A few weeks ago the Argentine Government suddenly blocked the property of more than 200 individuals and of more than 70 domestic and foreign-owned firms. This is another example of how dangerous it is when the above-mentioned principle is not observed by the leading nations, and you will remember what Mr. John Foster Dulles said during the hearings on the Dirksen bill in 1954:

"I recognize that there is force in what you say, to the effect that our own position to protect American interests abroad is strengthened if we protect foreign interests that are here.

"I would think that in an era when we expect the American interests abroad, American capital investments abroad, that it is wise for us to adhere ourselves strenuously to the highest standards of conduct in relation to those matters. That puts us in a better position to call upon others to apply the same standards."

The firms who suffered from the Argentine measures are, amongst others, German- and American-owned (Capehart, Kaiser). The German Government, in the meantime has taken official steps through their embassy with the Argentine Government, and I understand that other countries are taking the same position.

We in the western part of Germany are much more aware of the importance of observing individual rights and individual freedom because we can see from firsthand what is going on in the Eastern Zone of our country, and how our relations and friends in these areas are being treated. Western Germany would not be such a moral stronghold against communism and against infiltration of Communist ideas if it did not have this intimate knowledge and if not millions and millions of those now living in Western Germany had suffered under Eastern confiscatory measures. So, when Chancellor Adenauer, the Bundestag, the German Government, and the German public urged the return of vested property, pointing to the principle of the sanctity of private property and to the decisive difference between the eastern and western philosophies, this was not merely a slogan but the expression of a deep conviction born out of their own experiences.

3. The question whether the German Government has accepted and in fact ratified the permanent retentions of vested private property by virtue of its adoption of the Bonn conventions (ch. VI, art. 3) can best be answered from the discussions the German delegation had in Washington. At that time Mr. Barbour said: "The reparation policies adopted after the war have been incorporated in a series of intergovernmental agreements culmination in the Bonn conventions and the London Debt Settlement which have confirmed the actions taken and established legal barriers against the assertion of additional war claims against Germany at this time." I answered with the following: "In the German opinion the wording of article 3 in chapter VI of the Paris conventions puts it clear that the Federal Republic neither expressly waived any rights to the German external assets nor acknowledged or confirmed the actions which had been taken with respect to the German property. The Federal Republic, however, did declare its willingness to raise before the three powers no objections in the future against the measures taken." Mr. Barbour in his reply admitted: "* * * that the term confirmed had been badly selected. It were to be said that the wording of article 3 in chapter VI of the Paris conventions were quite clear and had been correctly interpreted by Mr. Abs. The American Government had not in mind to impute a different meaning to the wording of the article."

Furthermore, I may refer to article 4 of chapter VI of the conventions which says that in line with the provisions contained therein the Federal Republic may negotiate agreements regarding the confiscated property. This provision, to my mind, puts it very clear that the German assets are not expected to be definitely lost. After the Paris conventions had been signed, the Deutsche Bundestag, on February 26, 1955 unanimously made the following statement:

"With deep disappointment the Deutsche Bundestag learned of the three western powers having insisted on the insertion in the Paris conventions dated October 23, 1954, of the provisions of chapter VI of the Uberleitungs-vertrag of May 26, 1952 in their unmodified wording. The maintenance of these provisions does not only confirm the actions taken hitherto with respect to private property abroad, but even lays the foundation for extensive new encroachments on private rights. Under these aspects the distressing and discriminatory restrictions resulting from the years of occupation are obviously remaining in force; in the opinion of the Deutsche Bundestag these restrictions are incompatible with the transfer of political and military obligations and responsibilities to the Federal Republic as a partner of the countries of the free world.

"The Deutsche Bundestag therefore expect—

"1. That as a result of the discussions suggested by the three powers on the application of the provisions of article 4 in chapter VI of the said conventions the Federal Republic will be authorized to enter into bilateral negotiations with those countries which are willing to negotiate, and that without any restrictions and in accordance with the contents of article 4 (4).

"2. That the platform of such negotiations will not be withdrawn by the foreign countries concerned by way of continuing to liquidate and to dispose of the German external property still existing.

"3. That the signatory powers of the Paris Reparations Agreements will discontinue to assert claims on the still existing German external property, and will abstain from making further use of the provisions of these agreements. In consequence thereof the provisions forbidding any reacquisition of former German external assets by German nationals—quite an obsolete provision long since—should be canceled.

"4. That the trademarks and copyrights, originating in the prewar period, will be restored insofar as this has not already been done. As a result thereof, the way will be open for a return of international legal safety in this sphere of life."

Finally I may cite the following from the above-mentioned speech I made at Bad Homburg which clearly gives the position which is being taken in Germany:

"With respect to nonreturned property of German claimants, consent of the German Government to such nonreturn, besides being contrary to moral principles and to international law, would contravene article 14 of the Bonn basic law (constitution). Such a consent by the German Government thus would be prohibited to it.

"With respect to nonreturned property of non-German claimants, even if the requirements of international morality and law are disregarded, jurisdictional questions make the consent of the German Government a matter of no consequence.

"With respect to all nonreturned property, the German Government has never asserted the authority, and concedes that it lacks the authority, to destroy or restrict the rights to the seized property of any private claimant whatever his nationality."

4. Referring to question 4 of your letter I may inform you that I had the privilege, since the conclusion of the Washington discussions, to have had an exchange of correspondence with Mr. Walworth Barbour, then Deputy Assistant Secretary of State and leader of the United States delegation, and with Mr. Robert D. Murphy, Deputy Under Secretary of State. In this correspondence I referred to some of the principal points mentioned above, and I endeavored to correct the misapprehensions which had arisen with respect to the German views on the $10,000 plan. I refer to the letters of June 24, September 19, and December 23 in particular. I am sure that you will have access to this correspondence.

5. When Mr. Murphy on June 25, 1955 made a speech at Indiana University in which he said "Now Germany is our partner" (see Department of State Bulletin, vol. 33, p. 43), all Germans who are dedicated to the development of friendly relations with

your country were very much delighted. We believe that German-American friendship is not only a matter of common destiny but also a matter of inclination. But if it is true that Germany is the partner of the United States, we cannot quite understand why the property of private citizens of one of the partners still suffers from confiscation. In this respect many people in Germany do not see the difference between the Eastern methods and the measures taken by countries which, in fact, are our partners.

Another matter of importance which I do not wish to omit is the fact that some people in your country and also in other countries feel that property returns by the United States would be prejudicial to the position of other countries who still possess German property which they have vested in consequence of the last war. I may repeat once more what I have stated earlier on various occasions, that this is not considered to be the case because the situation with respect to each country is entirely different, particularly to those who suffered directly from German wartime occupation. I may add that this is also the position taken by the German Foreign Office.

I regret very much that this letter is a bit extensive and lengthy, but as matters have developed so many misunderstandings crept up that it was indispensable to put the position clear as we see it from our side and as it is also laid down in the Washington records. Should you have any more questions dear Senator, I would be delighted to answer them immediately.

Sincerely yours,

HERMANN J. ABS.

DECEMBER 9, 1955.

Mr. HERMANN J. ABS,
Vorstandsmitglied der Suddeutsche Bank AG, Frankfurt/Main, Germany.

DEAR MR. ABS: During the course of the hearings held on November 29 and 30 by this subcommittee on the question of return of vested German and Japanese assets, some divergent views were expressed as to the position of Germany toward the limited return proposed by the spokesman for our State Department.

In view of your intimate knowledge of this entire matter, the committee would appreciate it if we could have your views on certain phases of the problem that concern us. They are as follows:

1. During your work as representative for Chancellor Adenauer with the German delegation conferring with representatives of our State Department in February-March of this year, was it the German view that the contemplated return of $10,000 maximum to individuals only was merely the first step in the return of such properties and not the final and only return to be made and that full return was a question left entirely open?

2. Is it the position of the German Government that the vested German properties should be returned as a matter of principle and, if so, what specific steps has your Government taken in that direction and how important is the question from the point of view of both the Government and Chancellor Adenauer himself?

3. Has the German Government accepted and in effect ratified the permanent retention of such properties by virtue of its adoption of the so-called Bonn conventions? What action has the German Bundestag taken with respect to the same?

4. If you have had any correspondence with the United States Department of State or its officers subsequent to your personal discussions in reference to the alien property, will you please furnish the committee with copies of same?

5. If you have any further comments you wish to make including collateral correspondence, please feel free to include same.

I am sure that your elaboration on these important questions will be of considerable interest to the committee in its deliberations and assistance to us in arriving at just conclusions. I would appreciate hearing from you at your early convenience.

Sincerely yours,

OLIN D. JOHNSTON,
Chairman.

Mr. LANGER. I read:

I do not think, if one reads the documents of the Washington talks carefully, that anybody could find anything in them to prove that the German delegation accepted the $10,000 plan as a definite settlement. On the contrary.

There is a further proof: The Washington talks had not the character of true negotiations. The plan was put forward to the German delegation as a result of a prior decision taken by the American Cabinet and never was altered. The object of the talks was merely to discuss with the representatives of the United States Government the views of each side on the solution of the problem. This has been explicitly confirmed by Mr. Barbour. For this reason there was no substance at all in accepting the United States plan, quite apart from the fact that the German delegation had not the right to do so because the settlement of American war damage claims was a substantial part of the plan, and any consideration or settlement of such claims, as you know, is forbidden by article 5 of the London Debt Agreement.

What else does Mr. Aps say, speaking for the West German Government in this letter?

In these circumstances only two ways were left open to the German delegation to react to the United States plan put before them: Either to reject it definitely or to welcome it as a first step, trying to leave the door open for later discussion of a broader return program. To reject the plan altogether would have been unwise and would have been detrimental to the friendly relations between your country and mine, all the more so as we had and still have the distinct impression that with the $10,000 plan the United States Government wished to underline their desire to strengthen the friendly ties between the two countries. On my return from Washington I was asked by quite a number of journalists, businessmen, and politicians why I had not rejected the small solution, which proves that there was no satisfaction with it whatsoever in the German public. In my answer I referred to the above-mentioned reasoning and added that, to my mind, welcoming the plan as a positive step toward the solution of the property problem was a far better kind of reaction than a flat refusal. In fact, not only the German delegation (viz, joint press communique of March 4, 1955) but also Chancellor Adenauer (in his letter to Mr. John Foster Dulles of March 30, 1955) expressed the opinion that they considered the plan a constructive step in the solution of the property issue. What a step means I think should be clear to everyone, and I wonder for what reasons Mr. Murphy in his statement before the hearings of November 29 created the impression that there was complete satisfaction on the German side with the $10,000 plan.

In this connection I may remind you of the American-Chinese negotiations on the release of a number of American airmen captured by Red China. When Red China formally offered the release of some of these airmen the United States Government welcomed this offer as a first step. Nobody in the United States would have understood the Government if they had rejected the partial release for the reason that Red China had not offered to release all of the prisoners, and, secondly, nobody in the United States or elsewhere interpreted the phrase "first step" as the expression of the United States Government's view that they waived their claims as to the release of the remaining soldiers.

In both cases there was the desire on the German respectively on the American side to keep the problem alive and to aim at a full settlement of the case.

What else does Mr. Abs say of his report to Chancellor Adenauer on this matter? I quote:

My report to Chancellor Adenauer on my return from Washington was on the same lines as expressed above. Therefore the Chancellor, too, adopted the position taken in Washington and, consequently, in his letter to Mr. John Foster Dulles of March 30, 1955, said: "The Federal Government believes that the result of the talks is a constructive step on the way to the solution of a problem which for years has been a matter of concern to the Federal Government and the general public." Later on in a talk last summer with Congressmen HAYS, DONOVAN, and SELDEN, Chancellor Adenauer said that he and the German public, while welcoming warmly the $10,000 proposal, were not satisfied with it as a final solution of the problem. Furthermore, you will remember that Chancellor Adenauer in his letter of July 17, 1954, to President Eisenhower not only referred to the hardships which had been suffered by owners of small properties, but also to the property of those German individuals and corporations who by investing their capital in the United States in prewar times had contributed and wished to contribute toward friendly relations between the two countries and their peoples. Now, since the $10,000 plan only envisages returns to individuals and not to corporations, there is no wonder that Chancellor Adenauer was not satisfied and that he hoped for an eventual outcome of a broader solution. But again, from the records of the last hearings and also from the covering letter of Mr. John Foster Dulles with which he introduced the bill No. 2227 into Congress, I take that the State Department only mentioned that part of the letter of Chancellor Adenauer which deals with the hardship cases.

Now, let us see how the Adenauer Government wants to maintain basic principles of justice in relation to private property:

During the Washington talks I declared repeatedly that not only the principle of the sanctity of private property called for return, a principle which distinguishes our western philosophy from that of the eastern block, but also the self-interest of those nations and in particular of the United States who have made and are maintaining large investments in foreign countries. These investments are endangered if the respect for human rights and private property is not fully adhered to by those countries who, in the minds of the world, are predominant politically and economically. The foreign investments of private United States capital amount to about $26 billion. Foreign investments of other countries amount to similar values if one compares them with the gross national income of these countries. How can these investments be better protected than by full compliance with the principle of the sanctity of private property on the part of the investing countries themselves?

Mr. Big Businessman, it is time to wake up.

At another point in Mr. Abs' letter, he refers to a speech entitled "Now Germany Is Our Partner" made by Mr. Robert Murphy, Deputy Undersecretary of State, on June 25, 1955, at Indiana

University. I quote from Mr. Abs' letter with reference to Mr. Murphy's speech:

When Mr. Murphy on June 25, 1955, made a speech at Indiana University in which he said, "Now Germany is our partner" (see Department of State Bulletin, vol. 33, p. 43), all Germans who are dedicated to the development of friendly relations with your country were very much delighted. We believe that German-American friendship is not only a matter of common destiny but also a matter of inclination. But if it is true that Germany is the partner of the United States, we cannot quite understand why the property of private citizens of one of the partners still suffers from confiscation. In this respect many people in Germany do not see the difference between the Eastern methods and the measures taken by countries which, in fact, are our partners.

Does not this now establish beyond a question of a doubt that we are only going to get back to basic principles if we take the Office of the Alien Property out of the hands of the Department of Justice and put it in the hands of the Secretary of State where it belongs? I believe you will all agree with me that that must be done. So I am now introducing a bill to transfer the entire operations of the Office of the Alien Property from the Department of Justice to the Department of State. In the meantime, I think we owe it to our West German partners to tell them that this Senate will forthwith bring onto the Senate floor the Kilgore-Dirksen bill, S. 995, which provides for full return of all these properties and does equity to our American citizens who were virtually blackjacked by the Harry Dexter White, Treasury crowd to dispose of their interests and that we will pass it, and that all the rest of the problems will be worked out in negotiations and, if necessary, through an executive agreement which the Secretary of State can present before Congress for approval. I respectfully request the distinguished and able chairman of the subcommittee on the Trading With the Enemy Act, Senator JOHNSTON of South Carolina, to see that this bill is reported by the subcommittee without further delay.

Also in the meantime, I urgently request the Republican Policy Committee to personally call on the President to present to him firsthand the seriousness of these problems and to explain to him how necessary it is to remove the Office of the Alien Property Custodian from the Department of Justice and get it under the Department of State.

In closing, let me state once more that the basic difference between governments of the free world and Communist controlled governments lies principally in one thing. In the free world the governments are dedicated to the principle of the inviolability of private property rights as the foundation stone of personal freedom, and their governments are designed to create and protect equality of opportunity and a better life for all under the free-enterprise system. Communist governments are dedicated to the destruction of all private property rights and consequently all freedom.

Let us show Khrushchev he is wrong when he recently said:

The days of capitalism in the world are approaching their end—our system will win.

I appeal to the President and to the Secretary of State to take this matter into their hands and give it their serious consideration. And while they are doing that, I ask them to please tell the American people, those who have relatives behind the Iron Curtain, those who have relatives in Latvia, Estonia, Lithuania, Czechoslovakia, Poland, Hungary, Rumania, and Russia and East Germany, that if Khrushchev does start a war with the free world we will not confiscate the property of American citizens which they might want to have their relatives behind the Iron Curtain have when they are free, as we did with the Germans.

Again, I ask the Republican Policy Committee immediately to take up this matter with the President and the Secretary of State.

THE COMMUNIST ADVANCE IN THE NEAR EAST

Mr. KEFAUVER. Mr. President, I am taking the floor today because I am gravely concerned about conditions in the Near East which may be bringing democracy and the free world close to disaster.

The Communists are advancing in the Near East, the peace is endangered, a democratic country is pleading for help, and her pleas remain unanswered.

It is now more than 4 months since the Government of Egypt entered into an agreement with Communist Czechoslovakia to exchange its cotton for guns, but it is my understanding that the Department of State has not yet approved the Government of Israel's application to acquire defensive arms so that she may be in a position to defend herself from the threat of aggression.

The Czech-Egyptian arms deal was a turning point in the Near East because it brought the cold war into this critical region. Egypt's import of both Communist weapons and Communist technicians is a threat to the West. It is quite clear that Egypt is not getting arms from the Communist bloc to resist communism or to defend the Free World. The chief target of the new Communist-equipped Egyptian military machine is the democratic state of Israel. For it is a regrettable fact that the Egyptian Government has never made peace with Israel and publicly and officially proclaims herself to be in a state of war with that country.

I regard myself as a friend of the peoples of both Israel and Egypt. I have visited both countries. I have met with both Prime Minister David Ben-Gurion of Israel and with Premier Gamal Abdel Nasser of Egypt. I know something of the challenge which confronts both peoples. The American people want to be friends of both Israelis and Arabs and our policy must try to bring both peoples together in cooperation and peace. Our Government has helped the peoples and governments of both Israel and Egypt. I hope that we will continue to do so. Our great country can and must help raise the living standards of men, women, and children in the Near East. We have much to give Israel and Egypt, and some day the anti-American propaganda that now poisons Arab public opinion will be dispersed by the salient and irrefutable facts of American friendship. That day, I trust, will come soon.

Mr. President, shortly after the government of Egypt acquired arms from Czechoslovakia, the Foreign Minister of Israel went to Geneva to plead with the Great Powers. He asked for defensive arms so that his country would not be at the mercy of a sudden and devastating onslaught. He asked for security guarantees.

That was almost 4 months ago. We assumed that these requests would be speedily granted as a matter of international decency and as a matter of plain good sense. When a democratic land is surrounded by enemies and beseiged and blocked, and when that land is suddenly exposed to new and terrible peril because the Communist machine—airplanes, tanks, and technicians—has come to the very edge of its borders, there is no doubt of the moral obligations of the Great Powers.

A month ago, I was asked for my views on the subject at a press conference here in Washington. I said:

In the Middle East, in my opinion, we have long since needed a clear, unequivocal statement of our national interest. We want to be fair to both sides. I think it is in our national interest that we let all the nations of the Middle East know, and the world know, that we are not going to sit idly by and see a brave little democratic nation suffer aggression and be pushed into the sea. I think we ought to stand by our agreement, in the tripartite agreement with Britain and France, of 1950, and let everybody know that we expect to do so. If there is going to be an unbalance of arms by virtue of the sale of arms to Egypt, I think this Nation, and other Western nations should make it possible for Israel to secure arms to defend herself.

This is not a partisan or political statement. I made it not because I am a Democrat. I made it as an American, concerned for the best interest of my country. I am happy to point out that many Republicans agree on this issue. On January 18, at a conference at the Shoreham Hotel, the distinguished junior Senator from Pennsylvania [Mr. DUFF], a Republican and one of the early supporters of President Eisenhower, delivered this impressive statement:

Only today a dispatch out of London indicates that Czechoslovakia has offered cheap Communist arms to Afghanistan, an immensely important spot on the flank of the Bagdad Pact Defense Alliance. Other moves of the same character can with assurance be expected. All of which indicates that this vitally critical area to the free world has been selected by the Communists for the embarrassment of the West and the continuous further march of the Communist infiltration and expansion.

This complicated and aggravated situation in the Near East, especially between Israel and Egypt, poses the greatest possible threat to world peace. Too little and too late is a sure invitation to Communist aggression as was proven both in Korea and Indochina.

Formosa is not the only place where it was necessary for the free world to draw a line and say: "No further."

The policy of the United States is to wage peace, not war. The policy of the Communists is to wage war, and not peace. The sure way to play into their hands, to make it easier for them to gain their ends, is to

vacillate at a time for decisive action in the Near East. Certainly that problem will not to be settled in the United Nations. It will not be settled at all except by the definite and united action of the United States, Great Britain, and France.

Speaking as an individual, the only practical solution for this problem is for the free world to guarantee the existing borders between the disputants, to offset arms to Egypt by arms to Israel—not to encourage an arms race but to maintain a proper balance between them.

Vacillation can only result in ultimate disaster. Decisive action now is the answer.

To the answer that this is dangerous, the reply is: Of course, it is dangerous. Everything is dangerous unless the Communists are permitted to have their own free way. To guarantee these boundaries at this time instead of allowing the Communist infiltration and expansion might very well be the means of preventing another local war of enormous strategic importance where ultimately we would be compelled to interfere. Therefore, the risk would be no greater now than later and it very reasonably might be expected to stabilize a situation that would otherwise be completely out of hand.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to my distinguished and highly esteemed colleague from Illinois.

Mr. DOUGLAS. I should like to ask the Senator from Tennessee if it is not true that in addition to the Communist arms which have been going to Egypt, Great Britain has, at least, permitted the surreptitious shipment of tanks to Egypt.

Mr. KEFAUVER. Yes; I have read in the press that the British Government has admitted that a certain number of British tanks have, through one means or another, reached Egypt.

Mr. DOUGLAS. Is it not true that while the British Government claims that some tanks have been sold to Israel, nevertheless, the number and firepower of the tanks which have been sent to Egypt, are greater than the number and firepower which were allowed to go to Israel?

Mr. KEFAUVER. Yes; it is very much correct, although I do not have the exact figures. It is also true that in taking over the control of the Suez Canal, the military power of Egypt has been greatly enhanced.

Mr. DOUGLAS. Is it not true also that the Army of Jordan, to the east of the State of Israel, is equipped with British arms and is directed by British officers, notably Colonel Glubb?

Mr. KEFAUVER. That is the report I have had, although I do not know the details of the exact number of British officers who are there.

Mr. DOUGLAS. Is it not true that the commander of the Jordan Army is the British Colonel Glubb?

Mr. KEFAUVER. I think that is true.

Mr. DOUGLAS. So the present British Government has unfortunately involved herself in the Middle East on the side of the Arab States.

Mr. KEFAUVER. The record certainly shows that she has allowed Egypt and the Arab States to have many, many times over the amount of armament which has reached Israel.

Of course, the situation is that before the British arms reached the Arab States, or even before the Czechoslovakian arms reached Egypt, the Arab States, according to the figures I have received, had considerably more firepower and more military armament than did the State of Israel.

I thank the Senator from Illinois for his contribution to the discussion.

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

Mr. KEFAUVER. I very happily yield to my distinguished colleague, the Senator from New York.

Mr. LEHMAN. Is it not a fact that the tripartite declaration entered into by the United States, France, and Great Britain in 1950 or 1951 recognized, among other things, the existing territorial status of the Middle Eastern States, and, in the second place, recognized the necessity of maintaining among the nations of the area the then-existing balance of forces, and of insuring against an arms race in the Middle East?

Mr. KEFAUVER. The Senator from New York is exactly correct. The tripartite declaration of 1950 guaranteed the territorial integrity of both Israel and the Arab States. That is a commitment in which this Nation joined with Great Britain and France.

As to the second part of the Senator's question, they at least wanted to keep a balance so as not to permit one country to have more armament than the other. That also was a part of the declaration.

I thank the Senator from New York for his contribution. I shall have something to say about the tripartite declaration in just a short time.

Mr. President, I also desire to put into the RECORD the recommendations of a subcommittee of the House Committee on Foreign Affairs, contained in the January 19, 1956, Report of the Study Mission to Europe. Noting the situation arising out of the Egypt-Czechoslovakia arms deal, the report states:

This study mission is convinced that the United States should and will continue to give full support of Israel. Under present conditions the United States must also feel the gravest concern over Communist infiltration of Arab States. We, of the study mission, believe that the United States should make it possible for Israel to obtain the defensive weapons which Israel has requested. These she must have to protect herself against the offensive weapons being sold at ridiculously low prices to Egypt and offered to other Arab States by the U. S. S. R. We object to an arms race in this area. Our objective is a peaceful solution to the problems of all nations in the area. This must be accomplished by diplomatic negotiations at a peace conference where all the issues of the Middle East can and must be solved. The Tripartite Pact of 1950 should be reaffirmed with emphasis on the security for this area.

The policy of the United States in the Middle East must be reviewed to effect a settlement of problems existing there. Continued unrest and hostility among these nations and the recent campaign of the U. S. S. R. to penetrate economically and diplomatically into the affairs of the Middle East could spark a worldwide conflict. It is no secret to observers that the U. S. S. R. will use any nation as a pawn to suit its purpose of world domination.

I will say to the Senator from New York the House committee thought that, for the sake of peace in the Middle East, the tripartite pact of 1950 should be reaffirmed by it as a bipartisan committee. It is my understanding that was the committee's unanimous recommendation, after having examined matters on the scene.

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

Mr. KEFAUVER. Yes; I yield.

Mr. LEHMAN. Have any of the signatory powers to the tripartite declaration ever officially repudiated that declaration?

Mr. KEFAUVER. I know of no official repudiation, but certainly it has been suggested by Mr. Eden, although issue is being taken with that suggestion by the other side of the Government in Britain, that there should be more than an adjustment of the borders; that perhaps there should be a bargaining away of the territory of the little State of Israel. However, there has been no repudiation of the agreement.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. LEHMAN. Is it not a fact that, so far as the borders of Israel are concerned—and I emphasize this because there is so much misapprehension regarding it—these borders were established and recognized by the armistice agreement entered into in 1948?

Mr. KEFAUVER. That is correct; and it is that border agreement to which the tripartite declaration has reference.

Mr. LEHMAN. Will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. LEHMAN. So is it not a fact that Israel is not trying to retain more territory than that which she received as a result of the armistice agreement, and which was later recognized in 1950 by the tripartite declaration?

Mr. KEFAUVER. That is true. I have seen statements by Mr. Sharett, the Foreign Minister of Israel, and the Prime Minister of Israel, David Ben-Gurion, that they would also be quite willing to make adjustments in the borders for geographical purposes. But they are not seeking any additional territory; they are seeking only to hold that territory which was given to them by the armistice agreement, and which was guaranteed to be protected by the tripartite declaration of 1950.

Mr. LEHMAN. I thank the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I regret to say that there has been no action on the request for arms. All kinds of explanations and excuses are being circulated, but there is no question in my mind that this administration once again has demonstrated its ineptitude.

We who assume to offer world leadership should not permit our answer to Israel's request to be written by Colonel Nasser, by Mr. Eden, or by any other head of state. Israel has appealed for help because she believes she will be attacked by Egypt. Since this is the reason for her appeal, we have no right, in the name of international morality, to let Egypt dictate our answer to Israel's plea. Does Israel merely imagine that she will be attacked? Is this some kind

of mirage? Perhaps the Israelis are more realistic than our own State Department in their assessment of the danger. It is they who face the danger, and it will not disappear merely because our State Department would like to wish it away.

On January 17, Premier Nasser read a new constitution to the people of Egypt. I am not going to comment on that constitution, by the terms of which Egypt is to remain a one-party state, with a continuation of the existing dictatorship. What I do want to quote are these words. The press reports that Colonel Nasser said:

> From the Atlantic to the Persian Gulf there is but one Arab Nation which no one will succeed in dividing again. After World War II part of the Arab heart was snatched from the Arab body. Today all Arabs from the Atlantic to the Persian Gulf will cooperate in restoring that part.

The Detroit News of January 19, reads that statement as the Israelis probably read it. The Detroit News says:

> There is no doubt about his (Nasser's) target; in the hour when the new infant, Egyptian freedom, was lifted from the bullrushes, its leader was sounding a call to empire, based on a united Arab aggression against Israel. It seems not to have occurred to Nasser that these two ideas are as antagonistic as light and dark.

Our Department of State fails to meet its responsibilities because it does not want to face unpleasant facts. It does not give Colonel Nasser the benefit of believing what he himself has said. This incapacity to see the facts as they really are causes our officials to vacillate and equivocate in the face of danger.

Does anyone who reads this statement by Colonel Nasser doubt that the Israelis have reason to fear, and that they are fully justified in their appeal to the democratic world for assistance?

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

Mr. KEFAUVER. I yield to the distinguished Senator from New York.

Mr. LEHMAN. If Egypt, Saudi Arabia, Jordan, and some of the other Arab countries carried out their oft-repeated threats to wipe the Republic of Israel from the face of the earth—and those threats have been made frequently over a considerable period of time—does the distinguished Senator from Tennessee not agree with me that it would be a tragic thing for the United States to see annihilated a democratic nation which has always been a close friend and ally of this country? Would it, however, not also mean, not only the repudiation of the tripartite declaration of 1950, but also the involvement of this country and of the other Western Powers in perilous hostilities in the Middle East?

I emphasize that point because certainly the signatories to the tripartite agreement—the United States, the United Kingdom, and France—cannot possibly, either from the viewpoint of morals or self-interest, allow a situation to develop which could set fire to the world, without taking steps to carry out their solemn pledges made in the tripartite agreement. It seems inevitable that a conflagration in the Middle East would spread far beyond the confines of Egypt, Jordan, and Israel, and would involve many of the other countries of the world, and possibly lead to a world war.

I think that is a possibility which the people of this country, Great Britain, and the other Western Powers should fully realize and consider. There is involved not only the matter of saving a fine, little democratic country, but a matter of preserving the peace and the security of the world. I think it is something that should be of deepest concern to the Senate of the United States and to every citizen of the United States.

Mr. KEFAUVER. I agree with the distinguished Senator from New York that it would be very difficult to confine a conflagration or war in that part of the world to just that part; it would be very difficult for other nations, perhaps including our own Nation, to keep from being involved. That is why I believe it is necessary that we make clear our position, and do everything possible within our power to use the prestige of the United States in an effort to see to it that war does not occur there, but that a peace settlement and agreement are reached. Certainly what that part of the world needs less than anything else is to have a war. What both sides to the dispute need is to build up the economy of their countries and the economy of their people. A war would have a most devastating effect there, and it would be very difficult to keep the war from spreading.

As the Senator from New York has said, we have already taken a position in connection with this situation, and it is time for us to use our prestige in attempting to have an agreement and settlement reached.

We have been told by some State Department officials that Colonel Nasser is really a man of peace, that he is ready to accept Israel as a fact; and that, accordingly, we must not give arms to Israel, since that will provoke Nasser and would make him less likely to reach terms with Israel. These reports from Cairo and London sound like an Arab version of the Kremlin's spurious peace offensive of the summer of 1955. They are calculated to throw us off our guard while the Communist conspiracy carries on its intrigue in the Near East, the Far East, and North Africa.

All of us who want to strengthen democracy and to preserve the peace devoutly pray that Israel and the Arab States will soon reach a settlement of their differences, and our country should do everything to bring this about. But I have very grave doubts about the legitimacy and the sincerity of these so-called peace overtures, for we are told that Egypt would be willing to make peace with Israel if only Israel would agree, in advance of any discussions, to make certain territorial concessions which would cut a corridor across Israel, ostensibly for the purpose of linking Jordan and Egypt. This proposal, we are told, has the support of the British Foreign Office and some of the experts in our own Department of State; and one is led to infer that peace could be attained if only Israel would be ready to slash herself in 2 or perhaps 4 directions, in some kind of territorial hara-kiri. This would be the "give away" philosophy of the Eisenhower regime, carried into the international scene.

Many of us remember how the great powers, frightened by the bluster and blackmail of Hitler, forced democratic Czechoslovakia to feed the appetite of aggression in 1938. We find it very hard to believe that anyone would be ready to tell tiny Israel that she must give up precious territory and make other suicidal concessions to another country because that country had been equipped with weapons by the Kremlin. Such a policy would disregard every moral consideration. Moreover, it would be an indication to every neutralist country in the world to join the Soviet bloc as the certain and most effective way to blackmail the West into making concessions.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield to me?

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

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Is it not true—from the statements made, I believe, last November by British Prime Minister Eden—that the British policy is to have Israel cede to the Arab countries a portion of the Negev, which runs down to the Red Sea, at Eilat?

Mr. KEFAUVER. That has been stated, and it is his policy to ask for very substantial concessions. However, as I have said, such concessions, even if made, might lead only to demands for further concessions; and that is not the way to solve the problem between those countries.

Mr. DOUGLAS. The Senator from Tennessee has very properly reminded us of the experience of Czechoslovakia in 1938 and 1939. Is it not true that in September 1938, Hitler, with the assistance of Great Britain and France, forced Czechoslovakia to cede a portion of her territory? At that time it was said that this would be all that Hitler wanted; but the following March, Hitler took all of Czechoslovakia.

Is there any real prospect that the Arabs would be content with this piece of land in the Negev? Would not it simply encourage them and cause them to take all of Israel or greater amounts of Israel with the next bite, so to speak?

Mr. KEFAUVER. Yes, that is the history of such developments, and I think it would also be true in this case—namely, to give up some territory now would only encourage the making of other demands. Certainly I hope our Government will not buy that bill of goods.

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

Mr. KEFAUVER. I am glad to yield to my distinguished colleague, the Senator from New York.

Mr. LEHMAN. I wish to ask the Senator from Tennessee a question, so as to clear up a very common misapprehension regarding this entire matter. It has been made to appear in some quarters that Israel was an interloper, and even an aggressor and took land and territory which had belonged to Egypt or Jordan or Syria. Will the Senator

from Tennessee agree with me that such a claim is completely false, and that it is an incontrovertible fact that no part of what is now Israel ever belonged to either Egypt, Jordan, or Syria?

Mr. KEFAUVER. Yes; it is my understanding that that is a well-established fact.

Mr. LEHMAN. Is it not also a fact that the territory which now comprises Israel was given up by the Turks—in 1918 or 1919, I believe—and became a League of Nations mandate as part of the peace treaty entered into following the First World War?

Mr. KEFAUVER. That is true.

Mr. LEHMAN. Later on, the area which included what is now the Republic of Israel was mandated by the League of Nations to Great Britain, as a mandate power. No part of that area ever belonged to Egypt or Syria or Jordan. I think there is nothing more important than to have that fact known. However, it is not well known. Instead, the actual situation is widely misunderstood. Many persons have said to me, "Egypt or Syria is merely trying to take back what belongs to her." However, that is not correct, because no part of this area ever belonged either to Egypt or Syria or Jordan.

Mr. KEFAUVER. I am glad the Senator from New York has made that point amply clear. What he has said is correct; the territory was formerly Turkish territory, and after the First World War it was ceded and placed under mandate to the British. Thereafter the British voluntarily terminated their mandate, upon the formation of the Republic of Israel.

It should also be pointed out that the people of Israel and the people of Turkey have no conflict or controversy; they seem to be getting along very well. The area was Turkish territory, to begin with.

I believe that is another answer to the argument that to cede some territory to the Arab States would terminate the claims of Egypt and other countries in that part of the world. This area was not their territory to begin with, as the Senator from New York has pointed out; and to cede a part of it to them would not settle anything, but, instead, probably would only lead to further demands.

I have heard it said by persons who should know better that it would be dangerous to help Israel at this critical moment because to do so might drive the entire Arab world into the Soviet orbit. I refuse to accept this "either or" ultimatum. It flies in the face of facts and fair play. Those who spread this kind of dire threat are the ones who uncritically and inaccurately echo the propaganda line that we have favored Israel and have done nothing for the Arab States. That frequent refrain is a libel on the record of American fairness and generosity. The truth is that we helped the Arab States to independence, even as we helped Israel to independence. The truth is that we have given the Arab States economic aid and opportunity, even as we have given such aid and opportunity to Israel.

I quote from the remarks of a distinguished colleague, the Senator from Alabama [Mr. SPARKMAN], who said in Washington on January 18:

> The United States has shown its friendship to both Israel and to each of the Arab States. We had a big part in bringing Israel into statehood. We spent millions of dollars in aiding Jews to get back to the homeland of their fathers. We helped her quickly to become accepted by the family of nations—the United Nations. We have made available technical assistance and have gone further with special economic assistance. We have helped Israel to grow strong so that she might be able to build a strong economy and to defend her borders, her home and her people. These same things can be said almost word for word as to the several Arab States and for other countries in that general area.
>
> Furthermore, we have contributed large sums through the UN for the Arab refugees. Unfortunately, none of the refugees have been resettled, but we continue to live in hope.
>
> Perhaps the most conspicuous example of our Arab orientation within the last 2 years was the assistance we gave to Egypt in its negotiations with the United Kingdom. We helped Egypt to gain control over the Suez Canal; but unfortunately, we asked nothing in exchange as we had every right to do. We did more than any other power to assist Egypt to realize a major objective of policy in its struggle against foreign domination.

From Cairo, William Longwood, Scripps-Howard special correspondent, reported on December 1 in the New York World-Telegram:

> The United States today is Egypt's official whipping boy. Every day the state-controlled press and radio are lashing out at Uncle Sam. Americans in Cairo are aware of the increasing hostility being dispensed from on top and not a few are worried that it soon will filter down among the people and express itself in violence. The principal reason Egypt hasn't gone all out in beating us over the head is because she still hopes to get more American financial and arms help. She bares her editorial fangs almost daily to show what could happen if we don't play ball with her. But from what I have seen here, it isn't going to make much difference whether we give financial help or not; we will be hated if we do and despised if we don't.

It seems quite evident that Egypt's readiness to deal with the Soviet bloc has little to do with the Arab-Israel conflict. It is misleading and dangerous oversimplification to suggest that Israel or our attitude toward Israel has turned Nasser's head to the Kremlin. We will not counter Soviet economic penetration of the Near East and other underdeveloped areas by pandering to regional hostilities. We will overcome and meet the Soviet economic threat only if we can demonstrate to the peoples of these countries that democratic institutions and a democratic society offer far greater opportunities for raising living standards and giving all men, women, and children a greater stake in society. We will meet that Soviet threat if we can prove to the peoples of the Near East that we have more to offer than communism and that democracy can help them to a better and healthier life. We will meet the Soviet threat if we make it clear that we are faithful friends and that we are inflexible in honoring our commitments. We shall make a deeper impression on the Arab world if we stand in defense of those who share our commitment and devotion to freedom. We shall make no impression on the Near East if we are now buffaloed into letting Israel down.

Israel has demonstrated to the world what can be done by a young people to raise living standards, to wrest a living from barren land, and to build a civilization on an arid and desolate landscape. Israel has proved to be a demonstration plant of the greatest significance to the Near East, it is a vital and vibrant proving ground of the capacity, the vigor, and the success of a free society.

Mr. President, our Secretary of State is now taking his third look at the Near East. It is the third appraisal of our Near East policy since he took office. The need for so many appraisals suggests that Mr. Dulles admits that he can and does make mistakes. Even the warmest partisan would agree that Mr. Dulles must have been wrong one-third of the time, if not two-thirds. Mr. Dulles, who pleads so strenuously for a bipartisan approach perhaps might have served the Near East and our country better if he had himself accepted the fact that the 1948–52 policy was in fact a fair and objective policy. We would not be today so close to war in the Near East. Perhaps we might be much nearer to peace if the Department of State in 1953 had taken up where the Department of State left off in 1952. A comprehensive survey of the last quarter of a century in the Near East would show that America has dealt fairly and impartially and objectively with all the peoples of the area. I regret to say that the policy of friendly impartiality came to an end in 1952. Although our Secretary of State professes to be the impartial friend of all the peoples of the Near East, our policy has been distorted and twisted into an open pursuit of the Arab world at Israel's expense. Mr. Dulles made this very clear on June 1, 1953, when upon his return from his survey in the Near East countries, he declared: "The United States should seek to allay the deep resentment against it that has resulted from the creation of Israel."

This was a most unfortunate statement.

That policy of allaying Arab resentment was an open invitation to the Arab States to carry on and perpetuate their anti-Israel and anti-United States resentment, for they have besieged us with resentment ever since. Mr. Dulles indicated that the more they would resent, the more we would do to please them. And now that they have been schooled in this technique by our career men in the Department of State, they are aided in its execution by the Soviet Union.

Mr. President, four steps must be taken urgently in the Near East. They must be taken without delay if we are to avoid war, tranquillize the area, and become a partner in its growth and development.

We must allow Israel to buy arms at once, so that Israel will be able to defend itself. If we fail, we expose Israel to a sudden and devastating attack.

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

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. I noticed that the Senator from Tennessee used the expression "We must allow Israel to buy arms." I think that is a very important clarification. The Senator from Tennessee is not proposing that we give arms to Israel, but that we merely permit Israel to arm itself by purchase. Is that true?

Mr. KEFAUVER. That is true. I do not know of any requests which have been made to give arms to Israel. I have not heard that expressly suggested. I think we should allow Israel to buy arms, because if the Communist mechanism is going to sell arms to one side, it seems to me that the best chance of preventing war is to try at least to make it possible to bring about some balance. But that is not the final answer.

Mr. DOUGLAS. Can there be neutrality in the world if one side is to be permitted to obtain arms and the other side it not permitted to obtain arms? Do we then have neutrality?

Mr. KEFAUVER. No. I am sure it would inevitably lead to a clash, if one side were greatly overarmed, and there was an unbalance of arms, particularly in their present frame of mind.

Mr. DOUGLAS. After our experiences in the 1930's, when similar methods were used by the European powers and by ourselves, should we not have learned our lesson, and realize that it is not real neutrality to permit the aggressor to have and to be furnished with arms and yet to deny arms to the party which is either likely to be attacked, or is being attacked?

Mr. KEFAUVER. I think the Senator is absolutely correct. I regret that it is necessary anywhere in the world to think in terms of maintaining a balance of arms, but I am certain that in this case there is a great unbalance, which brings about a great deal more likelihood of war.

Mr. DOUGLAS. After all, it is not the sheep, but the wolves who should be enjoined to keep the peace. Is not that true?

Mr. KEFAUVER. The Senator is entirely correct. I think that through the United Nations, if possible, we must live up to our security guaranties, as set forth in the tripartite declaration of 1950.

We must be ready to offer large-scale economic aid to all countries in the region which are ready to join with us in raising living standards for their people and who will undertake to break down blockades and boycotts and to join with their neighbors in the practice and pursuit of economic cooperation.

We must offer our leadership to bring Israel and the Arab States to a peaceful settlement. But it must be a settlement based on mutual recognition by the parties of their sovereignty and their right to exist as free and independent states. The negotiations must be conducted honorably and directly between them. But we must not permit either party to adopt the Soviet technique of insisting on prior conditions before a conference is held. What the Soviet Union seeks to do in their talks with us should not become an example for the West. We should not emulate the Kremlin by asking Israel to agree in advance to yield precious rights to the Arabs as a price for their recognition. That course will not lead to peace. It is an overture to war.

Mr. President, these four steps constitute the program which we must carry forward if we are to avert war in the Near East and defend that critical region from aggressive communism.

Mr. President, in conclusion, I should like to direct three questions to our Secretary of State:

Why does our Department of State refuse to grant Israel's request for arms?

Is it true, Mr. Secretary, that the United States and the United Kingdom are preparing to bring pressure on Israel to give up territory to her Arab neighbors?

How does our Government propose to meet the threat of aggression in the Near East?

Mr. President, we await the answers to these questions because, for the peoples of the Near East, Mr. Dulles' answers may spell peace or war. For the free world, his answers may spell victory or defeat in the titanic struggle against aggressive communism.

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

Mr. KEFAUVER. I yield.

Mr. LEHMAN. I wish to compliment the Senator from Tennessee. I think he has made a very valuable contribution. The four steps which he proposes are very similar to those which I and others have urged and advocated over the past months. I think these steps are not exclusively in the interest of Israel, but in the interest of the peace and security of the world.

I think it is particularly important to point out, as the Senator has pointed out, that the arms which are requested to be provided, or which it is hoped will be provided to Israel, are not gifts, but sales, and that they are not in any way intended to be implements of aggression or conquest, but entirely for defense purposes, to counterbalance the Communist arms received by Egypt.

They are, as I view them—and I think this is important—merely to prevent an overwhelming imbalance in the armed strength between Israel and her neighbors. That is entirely consistent with the tripartite declaration of 1950. I believe we must emphasize that point.

Mr. KEFAUVER. I believe that is correct. I know that the general intention of this democratic state, as is the case of all countries which enjoy liberty and real democracy, is to have peace and to resist aggression, and not to conduct aggression. Although there was some provocation and some unfortunate incidents on both sides, for some of which Israel must share the blame, the people of that country have been under great strain and provocation. Certainly, anyone who has visited the State of Israel knows that the purpose and the whole philosophy of the people is to try to bring about peace and to defend their own land, not to commit aggression upon their neighbors. There cannot be any real friendship or real peace in that part of the world until there is commerce between those nations, and until the standard of living of the people generally in the Middle East is substantially raised.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Prefatory to my question, I should like to say that I, too, wish to congratulate the Senator from Tennessee for a very able statement, which I believe to be very timely. At this very moment our Government is negotiating with the British Government on matters concerned with the Middle East.

We are very glad indeed to welcome Prime Minister Eden to this country. We want friendship and cooperation to exist between the United States and Great Britain. But, of course, also we do not want a dictated agreement.

I should like to ask my good friend from Tennessee if he does not believe it to be unfortunate that the Secretary of State has called back, as one of his advisers on Middle East questions, Mr. Byroade, our Ambassador to Egypt. While Mr. Byroade is undoubtedly a very estimable gentleman—and I make no complaint about his skill or fundamental loyalty—nevertheless it is commonly believed that his sympathies lie almost exclusively with the Arabs and do not extend to any appreciable degree to Israel.

If it was desirable to bring Mr. Byroade back as an adviser to the Secretary of State, would it not also have been desirable to flank the Secretary with such men as Mr. Lawson, who is our very capable Ambassador to Israel, or such men as James G. McDonald, who was our former Ambassador to Israel, and who has demonstrated his knowledge of and friendship for Israel?

In other words, would it not be desirable, in these critical hours, that the American Secretary of State should be getting information and advice from those who are friendly to Israel, not merely from those who may be somewhat antipathetic to Israel?

Mr. KEFAUVER. I believe the Senator's question answers itself. It seems to me that if the situation in the Middle East is to be discussed, both sides ought to be represented, and that people from both countries, Egypt and Israel, should be present to advise the Secretary of State. Both sides should present their points of view so that our Government could get a clear-cut picture upon which to act. It is unfortunate that Mr. Lawson and the other gentlemen who know so much about Israel, are not brought back for this conference. Of course that is a matter for the Secretary of State to determine.

Mr. DOUGLAS. Mr. President, will the Senator yield for one further question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Does the Senator from Tennessee believe that it may be desirable for the United Nations to develop a police force which could be used in such a circumstance as this, so that an act of aggression could be repulsed by the armed forces of the U. N., rather

than by contingents of any particular nation?

Mr. KEFAUVER. I have always felt, and I am sure the Senator has also, that one of the weaknesses of the old League of Nations was that it had no police force to enforce its decrees and decisions. That is certainly one of the shortcomings of the United Nations. I hope the time may come when the United Nations will have a force to help protect the peace of the world in situations of this sort. Unfortunately, that is not a reality at the present time. There seems to be little possibility that it will become a reality to be a help in this situation.

Mr. DOUGLAS. If we had moved in a determined and forthright fashion in this matter, is it not quite possible that we could have had the United Nations build up a force which, while it would not be strong enough to threaten any major state, would be adequate to protect small countries from brushfires, so to speak, which might touch off a world conflagration unless they were checked?

Mr. KEFAUVER. It is unfortunate that the constituent members of the United Nations did not have that vision. I hope still that that might be the case. The United Nations at the present time is doing a commendable job with the limited facilities it has and in spite of its lack of a police force. It is still an organization through which more effective efforts of helping to bring about world stability can be fruitful. That is something I hope we will continue to work for.

However, here we have a present and immediate situation which bears heavily upon the moral and legal responsibility of the United States and Great Britain and France. It is one which cannot be helped with any police force from the United Nations, but it is one which demonstrates the type of situation in which a police force from the United Nations would be helpful, and in which it could be used in order to bring about stability in the Middle East.

Mr. DOUGLAS. Mr. President, will the Senator yield for another question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. While it is true that a United Nations police force could not be organized within the next month or perhaps in the next few months, is it not true that over the course of a year such a force could be organized, if there were a will to do so?

Mr. KEFAUVER. It certainly could be organized. I hope there will be a will insofar as this country is concerned.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. I am much impressed with the Senator's statement that we want peace and abundance for all the people in the Middle East. Is it not correct to say that with the oil resources of the so-called Arabian Peninsula, there is enough wealth there to greatly raise the standard of living of the Arabian people, if that wealth were properly used?

Mr. KEFAUVER. There is no question about it. There is no question that if the wealth were properly used there could come about a great increase in the standard of living of the Arabian people. That is one of the great essentials, I believe, of a long and lasting peace in the Middle East. The Middle East is a section of the world where our point 4 program can be of tremendous help to those people as they try to help themselves. As a result, of course, there would certainly be better relationships between the people of Israel and the people of the Arab nations.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Is it not true that some countries, like Iraq, have on the whole been putting the oil royalties which they receive to comparatively good internal use in improving the standards of living of their people, and in developing irrigation systems, which will still further expand their prosperity?

Mr. KEFAUVER. It is my understanding that they have done that very well in developing their agricultural resources. Other nations have not done so well.

Mr. DOUGLAS. Possibly, such as Saudi Arabia?

Mr. KEFAUVER. They have apparently done very little.

Mr. DOUGLAS. The Senator from Tennessee touched, I think, upon the development of the Jordan Valley about which plans were begun under President Truman. The present administration has sent Eric Johnston to the Near East. If that valley could be developed and the waters divided between Israel and the State of Jordan, would it not permit from one-fourth to one-third of the Arab refugees to settle on the land, and would not that greatly reduce the tension in the empire area?

Mr. KEFAUVER. I am glad the Senator from Illinois has said something about the Jordan Valley development. I have talked with Gordon Clapp, who, at the time he was Chairman of the Tennessee Valley Authority, conducted a survey and made one of the early studies of the possibilities in that region, and later I talked with Eric Johnston. With the Sea of Galilee as the principal lake, a great deal of electricity could be generated and a substantial number of acres of land could be put under cultivation. The benefits would be tremendous both to Jordan and to Israel, and, generally, to that part of the world. I have been advised that between 30 and 35 percent of the unfortunate refugees could be placed so that they could make a living as a result of this project.

Mr. DOUGLAS. So with wise leadership, could not a positive program be advanced which would be a very large contribution to peace and which would insure an increasingly higher standard of living both to the people of the Arab nations and to Israel?

Mr. KEFAUVER. Yes. It is imaginative projects like that which our Government has done a substantial amount of work to push which are the kind of projects we ought to try to bring about in the Middle East and in other parts of the world. It would greatly build up the standard of living. I think the Jordan Valley project has tremendous possibilities for good. If the peoples there could ever have peace, it would be not only a possibility, but, I think, it would be probable that financial arrangements could be worked out which would be supported by this Government for the operation of the Jordan project.

Mr. DOUGLAS. I wish to congratulate the Senator from Tennessee for his very statesmanlike speech. I hope his recommendations and criticisms may be taken to heart by the members of the State Department and of the Government who at this fateful hour are meeting with representatives of Great Britain to decide upon a policy dealing with Israel, the Arab States, and the Middle East.

Mr. KEFAUVER. I thank the Senator from Illinois for his contributions and for the observations he has made.

THE JOINT DECLARATION OF THE PRESIDENT OF THE UNITED STATES AND THE PRIME MINISTER OF THE UNITED KINGDOM

Mr. KNOWLAND. Mr. President, I have here the joint declaration of the President of the United States and Prime Minister Eden, which reads as follows:

JOINT DECLARATION OF THE PRESIDENT OF THE UNITED STATES AND THE PRIME MINISTER OF THE UNITED KINGDOM

We are conscious that in this year of 1956, there still rages the age-old struggle between those who believe that man has his origin and his destiny in God and those who treat man as if he were designed merely to serve a state machine.

Hence, we deem it useful to declare again certain truths and aims upon which we are united and which we are persuaded are supported by all free nations.

1. Because of our belief that the state should exist for the benefit of the individual and not the individual for the benefit of the state, we uphold the basic right of peoples to governments of their own choice.

2. These beliefs of ours are far more than theory or doctrine. They have been translated into the actual conduct of our policy both domestic and foreign. We are parties to the Atlantic Charter, the United Nations Charter, the Potomac Charter and the Pacific Charter. In them we have, with other friends, dedicated ourselves to the goal of self-government and independence of all countries whose people desire and are capable of sustaining an independent existence. During the past 10 and more years 600 million men and women in nearly a score of lands have, with our support and assistance, attained nationhood. Many millions more are being helped surely and steadily toward self-government. Thus, the reality and effectiveness of what we have done is a proof of our sincerity.

3. Further, we know that political independence cannot alone assure men and nations full opportunity to pursue happiness and to fulfill their highest destiny. There is likewise need for economic sustenance and growth. This, too, we have helped to provide. We seek to develop with others a large volume of mutually beneficial trade. Likewise we seek, through technical assistance, the Colombo plan, and other programs we support, to help economic progress in the less-developed countries and to raise the living standards of their peoples. In these programs we have not sought nor desired extension of either economic or political power. The purpose is not to dilute, but to enrich and secure their freedom.

4. During this period of notable cooperative progress in the free world, those who assert the supremacy of the state and deny the inherent rights of man have also been active. Millions of people of different blood, religions, and traditions have been forcibly incorporated within the Soviet Union, and many millions more have in fact, although not always in form, been absorbed into the Soviet Communistic bloc. In Europe alone, some 100 million people, in what were once 10 independent nations, are compelled, against their will, to work for the glorification and aggrandizement of the Soviet Communist state.

The Communist rulers have expressed, in numerous documents and manifestos, their purpose to extend the practice of communism, by every possible means, until it encompasses the world. To this end they have used military and political force in the past. They continue to seek the same goals, and they have now added economic inducements to their other methods of penetration.

It would be illusory to hope that in their foreign policies, political and economic, the Soviet rulers would reflect a concern for the rights of other peoples which they do not show toward the men and women they already rule. Any free nation that may be persuaded by whatever threat, promise, or enticement to embrace communism will lose its independence and its people will forfeit their rights and liberties. These contrasting records of recent years reflect the essence of the struggle between free countries and the Communist rulers.

5. In the face of the Communist challenge, almost 50 nations which cherish freedom have drawn together in voluntary associations for their collective security. These associations uphold for all their members the right to independent existence, the right to free expression and the right to differ. The purpose of their union is to preserve those national rights, just as within a state people join together to preserve their individual rights.

6. We reject any thought that the cleavage we have described should be resolved by force. We shall never initiate violence. Moreover, we shall use our full influence to assure that Soviet efforts to inflame old antagonisms will not succeed in breaking the peace. The United Nations provides appropriate machinery to assist countries desiring peacefully to bridge their differences and to settle disputes.

Many nations of the free world are ever anxious to proffer their good offices to promote the same end. Our two countries stand constantly ready to aid in negotiation and conciliation with others directly concerned, so as to achieve just settlements of the concrete issues that now trouble the world.

7. We shall persevere in seeking a just and lasting peace and a universal and effectively controlled disarmament which will relieve mankind of the burden and the terror of modern weapons. Meanwhile, the society of free nations must retain the power needed to deter aggression. We recognize that such power should never serve as a means of national aggrandizement but only as an essential shield for every member of the community of nations.

We are determined to make the conquest of the atom a pathway to peaceful progress, not a road to doom.

8. We will not be deflected from the policies and purposes we have herein stated. On the contrary, we will maintain and, where necessary, strengthen and extend them. Thus, we shall help ourselves and others to peace, freedom, and social progress, maintaining human rights where they are already secure, defending them when they are in peril and peacefully restoring them where they have temporarily been lost.

While resolutely pursuing these aims, which are the products of our faith in God and in the peoples of the earth, we shall eagerly grasp any genuine opportunity to free mankind of the pall of fear and insecurity which now obscures what can and should be a glorious future.

DWIGHT D. EISENHOWER.
ANTHONY EDEN.

Mr. President, in my judgment, the joint declaration by the President and the Prime Minister ably states the case of the free world in seeking peace with honor.

But it makes clear that the free world will not be paralyzed in the event of Communist aggression. Rather than to submit new propaganda proposals, the Soviet Union is in effect reminded that a compliance with the Atlantic Charter, the United Nations Charter, and other treaties, which they have signed and violated, would be a more effective demonstration of good faith and peaceful intent.

In any event, we are not going to yield to Communist threats or consent to the destruction of our friends and allies by any international outlaws.

RECESS TO 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 51 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Thursday, February 2, 1956, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 1, 1956

The House met at 12 o'clock noon.

Rev. Dwight L. Baker, missionary to Nazareth, Israel, Blawenburg, N. J., offered the following prayer:

Our Father, we humbly beseech Thy blessings upon this land of ours, and upon our President and his Cabinet, and upon those who shoulder the great responsibility of formulating, interpreting, and executing the laws by which we live.

Bless those who represent our Nation in world capitals and those who watch in vigilance over our shores to keep them safe.

We pray Thee to give divine wisdom and guidance to President Eisenhower and Prime Minister Eden as they confront themselves with the urgent problems of the Middle East and other areas strained by tension.

We would ask of Thee to let flow through the channels of all our hearts the interests of the whole world as well as our own interests as we dedicate ourselves to the cause of world peace and justice.

May we at all times maintain our souls open to the fact of God's creative purposes which alone can make ours a better world.

In Jesus' name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

PROVIDING FOR THE SALE OF A GOVERNMENT-OWNED HOUSING PROJECT TO THE CITY OF HOOKS, TEX.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7540) to provide for the sale of a Government-owned housing project to the city of Hooks, Tex.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN. Mr. Speaker, reserving the right to object, this bill was on the Consent Calendar and when called an objection was made, but as I understand the situation now, the objections that were advanced at that time have been withdrawn; is that so?

Mr. PATMAN. Mr. Speaker, the gentleman from Iowa [Mr. CUNNINGHAM] has authorized me to say that although he objected to the bill at that time, since we have a report from the Budget recommending the bill with an amendment which I shall offer, he will have no further objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of any other law, the Housing and Home Finance Administrator (or the head of any department of the United States Government to whom said Administrator may have transferred title to North Village project, Texas 41142) on behalf of the United States is authorized and directed to sell and convey, whenever said project is declared surplus to the needs of the Government, to the city of Hooks, Tex., at fair market value as determined by him on the basis of an appraisal made by an independent real-estate expert, all right, title, and interest of the United States in and to said North Village project, Hooks, Tex., consisting of 248 dwelling units.

Mr. PATMAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 1, strike out lines 4 through 9, inclusive, and insert in lieu thereof the following: "Administrator of General Services on behalf of the United States is authorized and directed to sell and convey the North Village project, Texas 41142, whenever said project is determined by him to be surplus to the needs of Government."

The amendment was agreed to.

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

House Resolution 390 was laid on the table.

A motion to reconsider was laid on the table.

THE LATE JOE JONATHAN MANLOVE

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, I regret to inform the House at this time of the death of a former distinguished Member of this body. Yesterday I received a telegram advising me that my old

friend and colleague in the House, the Honorable Joe Jonathan Manlove, who served for 10 years as a Member of this body, passed away after a rather prolonged and serious illness.

Older Members of the House, of course, will remember and anyone who ever met him will never forget Joe Manlove. He was born on a farm near Carthage, Mo., October 1, 1876, educated in the public schools down in the Ozarks, and after graduating from Presbyterian Academy at Mount Vernon, Mo., he studied law and was admitted to the bar. Most of his time and effort, however, were devoted to agriculture, livestock, real estate, and the development of southwest Missouri. As secretary of the Ozark Playground Association from 1920 to 1922, he coined the phrase that "The Ozarks is a land of a million smiles." He loved sports and outdoor life.

He served in this body from 1923 to 1933 after making two unsuccessful attempts to come to Congress. I am sure that the older Members here will remember him because of his affability and amiability, his friendliness, his kindness. It was his warm human qualities which made him personable and likable.

In the quarter of a century that I have been around here I have never served with any Member of the Congress more accommodating or who would go further out of his way to do a favor for not only any constituent but any friend than would Joe Manlove. He was also a clever, astute, and resourceful politician; not quite as good as his dear and devoted wife, Alma. I can assure you he was a most formidable opponent. I learned that when I defeated him in 1934 for the Republican nomination for Congress by a mere margin of 2,100 votes, as I recall, the closest race and the hardest that I ever had. It not only nearly killed Joe, but it nearly killed me. Notwithstanding that contest of ours, my sister did most of his abstract work, because he was a large landholder in southwest Missouri. Our families remained good friends. Joe and I forgot our political battle much more quickly than did many of our friends.

In 1943 Mr. Manlove was elected as one of the delegates to write a new constitution for the State of Missouri. He served his State and country well not only in Congress, but out of Congress, and will be remembered as the founder of the Missouri State Society in Washington, D. C. In his death our beloved Ozark country has lost a real booster and genuine friend, the Republican Party a strong champion, and our State and Nation a true patriot and loyal citizen.

Today my sympathy goes out to a fine son, Col. A. W. Manlove, and his splendid family—a young man who made a wonderful record in World War II and is now serving his country in Alaska. Joe will be missed by his many friends left here but I know he is very happy again to be with Alma.

Mr. Speaker, I now yield to the former distinguished Speaker, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Speaker, I join with my good friend the gentleman from Missouri [Mr. SHORT] in expressing my deep regret at the passing of Joe Manlove. It was my privilege to enjoy his friendship for a good many years. He was a friendly man and loved by all who knew him. He was a conscientious legislator, one of lofty ideals and in his death Missouri has lost one of its great men.

Mr. SHORT. Mr. Speaker, I yield to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I wish to pay tribute to Joe Manlove. He was a great friend of mine, and we kept up a correspondence over the years until recently. He was a very genial, fine man, and a great patriot, and I regret exceedingly his passing.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and I also ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDING AGRICULTURAL ACTS OF 1949 AND 1954

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8320) to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to the special school milk program and the brucellosis-eradication program for the fiscal year ending June 30, 1956.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, reserving the right to object, and I do not intend to object, I would like to ask the gentleman from Mississippi to give me a brief explanation of the bill.

Mr. ABERNETHY. Mr. Speaker, H. R. 8320 is in two sections and is designed to accomplish two distinct purposes.

First, the bill increases the authorized use of Commodity Credit Corporation funds for the special school milk program from $50 million to $60 million for the current school year.

Second, the bill provides for a further acceleration of the brucellosis-eradication program among cattle by authorizing an increase from $15 million to $17 million in the Federal funds available in this joint Federal-State activity for the fiscal year ending this June 30.

These increases in funds follow Department of Agriculture recommendation as to the amount that can be expended advantageously in these programs.

This bill insures that the special school milk program will continue uninterrupted during the remainder of the present school term. This program, which Congress authorized in 1954, has been very successful in disposing of surplus milk and improving the health of our children. There is no way of measuring its value in terms of the health of our schoolchildren. More than 62,000 schools already are participating in this program, which represents about a 50-percent increase within a year.

It is estimated that this school milk already reaches approximately one-half the Nation's children up through the high-school grades, and the distribution in the current school year will amount to almost 1 billion half pints. More schools are joining the program constantly, as they complete arrangements for distribution of milk.

The Federal Government pays up to 4 cents a half pint on the cost of this milk.

I want to emphasize that this is one of the most important programs ever operated by our Government in the interest of the health of our children. I am sure that everyone here wants to see the program continued throughout this fiscal year. Failure to pass this bill will result in the program being completely halted in most sections of the country.

I should point out that H. R. 12, already approved by the House and now pending before the Senate Committee on Agriculture and Forestry, would provide $75 million for the school milk program for the fiscal year beginning July 1, 1956.

Mr. Speaker, the second section of this legislation also is of utmost importance. It expands our program to eradicate brucellosis among cattle.

Considerable progress has been made since the accelerated program was authorized by Congress in 1954. This is a cooperative program with the Federal Government and the States sharing the cost. The purpose of this program is to eliminate both the disease and the infected cattle as rapidly as possible.

Such elimination has been speeded up by increased Federal and State indemnity payments for animals slaughtered because of brucellosis.

The Department of Agriculture, in supporting the increased authorization said that even though State funds for carrying out the cooperative eradication project have been increased from $11,233,731 in fiscal 1955 to $15,775,099 for 1956, they, with the Federal support available, have not been adequate to meet program demands in the current fiscal year.

Federal funds are being used to carry out the cooperative program with the States and have not supplanted State funds.

The interruption or disruption of any disease control program through a lack of funds has a very serious effect because the disease is allowed to spread and gain in areas that have been cleaned up. Both the State and Federal Governments have invested heavily in programs in certain States where the program is making such substantial progress that it seems possible to certify the States as brucellosis-free during this fiscal year.

Large investments of State and Federal funds have been made in programs in many other States that have now reached the point where any interruption of the program would result in costly delays which would necessitate additional expenditures in the future to regain lost ground.

H. R. 8320 is intended to prevent loss of ground in this important program, and to keep this program at its full effectiveness. I am sure the Congress wants to participate fully with the States in the eradication of brucellosis until the job is done.

Mr. Speaker, this bill is in the interest of all our people and it deserves the unanimous support of the Congress.

Mr. Speaker, I might say that there is a unanimity of opinion on the bill. It was reported unanimously from the Committee on Agriculture. It had a favorable report from the Department of Agriculture and has been cleared by the leadership on both sides of the aisle.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I do not intend to object to the consideration of this measure. This is emergency legislation. It should be passed now in order to carry on two very important programs dealing with the health and welfare of the American people.

I withdraw my reservation of objection.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, as the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] said, this is emergency legislation.

Mr. ABERNETHY. That is correct.

Mr. LAIRD. Mr. Speaker, reserving the right to object—and I shall not object—I wish to commend the committee for the action they have taken. I introduced this legislation, along with the gentleman from Mississippi [Mr. ABERNETHY]. There are 22 States in need of funds under the brucellosis eradication program in this fiscal year. There are 19 States in which the School Milk Program funds are running out at the present time and they will need funds at the close of this quarter. For that reason, this bill is of an emergency nature and should be passed as soon as possible by the Congress.

Outstanding increases in milk consumption are being obtained this year under the special milk program. In fact, the program is expanding so rapidly that additional legislation is required in order to keep the program running without disruption until the end of the current school term.

This action today is an immediate need and is separate from legislation that I have introduced in the House which calls for the extension of the program beyond this school year at a minimum level of $75 million each school year.

The school milk program was developed by our committee as an additional and beneficial means of providing price supports for dairy products. I felt that no finer use could be made of our abundant milk supply than its increased consumption, as fluid milk, by our school children. I also felt that rather than depend solely upon the purchase and storage approach, increased efforts should be made to move more milk directly into consumption.

The actual results under the program are more than living up to our expectations. By mid-December of 1955, more than 62,000 schools throughout the country were in the program. This was more schools than are now in the school lunch program, which has been operating since 1946. Total fluid milk useage under the program this year is expected to be about 800 million pounds.

The Department of Agriculture has reported that, in a study covering more than 1,400 individual schools in 15 States, sales of milk under the program in October 1955 were 80 percent above sales in October 1953. This increase was over and above any increase in milk sold as part of a complete lunch in these schools.

I feel certain that every member of the House wants this program to continue its fine contribution—both to the expansion of dairy markets and to the health of children. The bill being discussed here today was introduced by Congressman ABERNETHY and myself and would increase the amount of Commodity Credit Corporation funds that may be used for the program this year from $50 million to $60 million, or by $10 million.

I understand that the Department does not expect that the full $60 million will be needed this year. However, in 19 States the program has already expanded to a point where they will exhaust their share of the $50 million in the near future. Some of the additional funds needed by these States are now being met out of funds that are excess to the needs of other States.

However, the whole situation has tended to create uncertainties in the minds of both school and dairy people in some States. They are wondering if they should cut back their efforts to promote the program. They do not want to do this. Neither do they want to place schools in the position of risking any financial losses.

Action by the Congress to increase the authorization to $60 million will eliminate these uncertainties on the part of people in the States and will insure the full continuance of the program this year.

I feel that this bill deserves the full support of the Congress.

Mr. Speaker, I would like to include here the testimony of Roy Lennartson, Deputy Administrator, Agricultural Marketing Service, before the Dairy Subcommittee of the House Committee on Agriculture relating to the 1955–56 special school milk program, January 24, 1956, at 10 a. m.:

We in the Department of Agriculture very much appreciate this opportunity to discuss legislation designed to insure that the special school milk program will continue intact during the remainder of the present school year.

The legislation with which this hearing is concerned would amend section 201 (c) of the Agricultural Act of 1949, as amended, to increase the maximum authorized use of Commodity Credit Corporation funds for the special school milk program from $50 million to $60 million for the fiscal year ending June 30, 1956. The Department of Agriculture favors the enactment of this amendment as promptly as possible.

In his farm message to the Congress, the President reported that this program to increase fluid milk consumption by schoolchildren had met with gratifying success—both as a means of contributing to better health habits and to expanding present and future farm markets. He recommended that the program be extended and enlarged and also reported:

"I have been advised that, in some States, milk program funds are nearing depletion. We must see to it that the program is carried forward intact through this fiscal year."

It is this immediate problem that the legislation now under discussion is designed to meet.

As you know, the special school milk program was authorized by the Agricultural Act of 1954, which became law just as most schools were opening for the fall term in 1954. Despite this necessarily late start—with the excellent work of State educational agencies and the dairy industry—the program was rapidly put into operation. Almost 42,000 schools entered the program last year and substantial consumption increases were obtained in a large proportion of the schools.

However, as operating experience was gained last year, it became evident that some revisions were required to obtain the program's full potential. Last spring the Department took the leadership in working with school and dairy people to institute needed improvements in the program for this year. These improvements were primarily directed toward making it possible for more schools to institute price reductions as a starting point in a many-sided effort to make milk more available to children.

The revised program has met with wide approval. By early December this year, 62,00 schools were in the program, an increase of more than 48 percent over last year's excellent record. A special study conducted by the Department in over 1,000 individual schools in 13 States showed that in October there was an 81-percent increase in extra milk servings over 1953. This is in addition to the additional milk served as part of complete lunches under the national school-lunch program.

In fact, the immediate problem in at least a dozen States is not expansion of the milk program. Right now they are concerned that action may soon be necessary to discontinue or dilute the program because of the uncertainties in the fund situation.

This is the situation that would be forestalled by the early enactment of the proposed legislation.

In the absence of any reliable basis for forecasting the probable performance under the revised program, it was agreed that funds should be temporarily divided among the States on the basis of the National School Lunch Act formula and that funds would be advanced to States on a quarterly basis. In addition, the Department withheld, in reserve, 25 percent of the $50 million, as a means of meeting the needs of those States where the program might expand most rapidly. In spite of these precautions, the sharp expansion this year is placing a serious strain on the maximum authorization for the program.

In summary, this is the current situation, based upon the best estimates States have been able to make:

There are 12 States that will have spent their entire allotment of funds by March 1. These States are already asking the Department if schools should be put on notice that funds to finance price reductions may be exhausted prior to the end of the school term.

An additional seven States are likely to exhaust their allotment prior to the end of the school year.

The fund situation in five States appears to be in balance.

The remaining 25 States do not appear to need their full allotment and the unneeded funds can be shifted to meet the needs of the 19 States in a deficit position as the year progresses.

We have already moved rapidly to effect these transfers and have already obtained releases on $3.7 million of the remaining funds scheduled for advance to the surplus States. Additional releases are expected when States have had an opportunity to make an accounting of their funds through December.

In our judgment, however, maximum possible steps in this respect are not sufficient to meet the immediate situation in the 12 most critical States.

In view of the uncertainties, these States are not attempting to expand the program to additional schools.

The best estimates that States have been able to make indicate that total program expenditures this year, assuming no limitation on available funds, may not be much in excess of $50 million. However, to insure that adequate funds can be made available at the right times and in the right places, we believe it essential that the authorization for this year's program be increased to $60 million. This increase will not mean an increase in the current estimate of expenditure. Rather, it is designed to provide needed flexibility to shift funds among States in accordance with program needs and, thus, assure full development of the program in all States.

Early action to increase the maximum authorization would provide assurances to all States that they would not be asking schools to underwrite price reductions to children for which reimbursement would not be forthcoming. The increase in the maximum authorization by the proposed $10 million is needed primarily to provide sufficient flexibility in the management of program funds to prevent the discontinuance of the program in any State before the end of the school year.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I wish to commend the chairman of the Dairy Subcommittee, Hon. TOM ABERNETHY, of Mississippi, and the chairman of the House Committee on Agriculture, Hon. HAROLD COOLEY, of North Carolina, on the prompt action that has been taken on H. R. 8320. They considered it must legislation.

This bill increases by $10 million the Federal funds available for the school-milk program and by $2 million the funds for the brucellosis program, both for the current fiscal year. I am very much interested in the passage of this legislation, since my State, Wisconsin, is in need of funds to finish the current year, as are 11 other States. It is my understanding that if this money is not appropriated the State of Wisconsin will be out of funds by April 1.

The school-milk program has met with great success. In December 62,000 schools were in the program, representing an increase of more than 48 percent within a year. The increase in the authorization for this program is now needed primarily to provide sufficient flexibility in the management of the program funds to prevent the discontinuance of the program in any State before the end of the school year. I hope that the House will unanimously approve this bill today.

I have introduced bills in this session and in the last session to increase the funds available for the school-milk program. In the last session I supported H. R. 12, which would have provided $75 million for the school-milk program for the current fiscal year if it had passed the Senate.

Mr. WHITTEN. Mr. Speaker, further reserving the right to object, I, too, commend the gentleman and his committee for the action they have taken. I should like to point out that the present Secretary of Agriculture and the present administration attempted to eliminate the brucellosis eradication program the first year in office. It was through the action of the chairman of the Agriculture Subcommittee on Appropriations, Mr. H. CARL ANDERSEN, that this program was kept alive. I think now the administration seems to be proud of it, but these are the circumstances under which it has been retained.

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, I wonder if the gentleman could give us a further explanation of the progress made in the brucellosis eradication program; how far they have gone, what progress they are making and whether they are getting the disease under control.

Mr. ABERNETHY. Yes, I should be glad to give the gentleman some information on that. But, in order to save just a little time, I will say that the report fully covers the matter, particularly on page 3 where the gentleman will find a table setting forth the number of reactors found during the years 1954, 1955, and 1956, and the progress made during those particular years. Incidentally, there has been excellent progress made in the brucellosis eradication program. It is a very popular program throughout the country. The States have responded to it remarkably well. They have made very substantial monetary contributions to the program.

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 the last sentence of section 201 (c) of the Agricultural Act of 1949, as amended, is amended to read as follows: "For the period beginning September 1, 1954, and ending June 30, 1955, not to exceed $50 million, and for the fiscal year ending June 30, 1956, not to exceed $60 million, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in nonprofit schools of high-school grade and under."

SEC. 2. Section 204 (e) of the Agricultural Act of 1954 is amended to read as follows: "As a means of stabilizing the dairy industry and further suppressing and eradicating brucellosis in cattle, the Secretary of Agriculture is authorized to transfer not to exceed $20 million for the fiscal year ending June 30, 1956, from funds available to the Commodity Credit Corporation to the funds appropriated to the Department of Agriculture for such fiscal year for the purpose of accelerating the brucellosis eradication program, for the purpose of increasing to not to exceed $50 per head of cattle the amount of the idemnities paid by the Federal Government for cattle destroyed because of brucellosis in connection with cooperative control and eradication programs for such disease in cattle entered into by the Secretary under the authority of the act of May 29, 1884, as amended, for the purpose of increasing the number of such indemnities, and for the purpose of defraying any additional administrative expenses in connection therewith. There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for expenditures pursuant to this section."

With the following committee amendments.

On page 2, line 6, strike out "of Agriculture."

On page 2, line 7, strike out "$20,000,000" and insert "$17,000,000."

Page 2, lines 9 and 10, strike out "funds appropriated to the Department of Agriculture", and insert "appropriation item 'Plant and Animal Disease and Pest Control' in the Department of Agriculture Appropriation Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks on the bill just passed at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FISCAL YEAR 1957 NAVY SHIPBUILDING AND CONVERSION PROGRAM

Mr. COLMER. Mr. Speaker, I call up House Resolution 392 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 7993) to authorize the construction and conversion of certain naval vessels, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, 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.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that I yield myself such time as I may consume.

Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 392 which will make in order the consideration of H. R. 7993, to authorize the construction and conversion of certain naval vessels and for other purposes.

House Resolution 392 provides for an open rule and 3 hours of debate on the bill.

The purpose of H. R. 7993 is to authorize the construction of 23 new ships, of which 22 are combatant types, 5,000 tons of landing craft, and for the conversion and modernization of 23 vessels.

Except for 2,800 tons of escort vessels this is not a naval tonnage authorization bill. There is available sufficient

unobligated tonnage from shipbuilding authorization acts. However, the Armed Services Committee feels that the shipbuilding and conversion programs of the Navy should be reviewed by them so that they, and the Congress, will be aware of what ships are proposed for construction and conversion.

The Department of Defense has requested, and there is included in the 1957 budget $1,429,000,000 for the program. Included in this program is authorization to commence design and advance procurement of a nuclear-powered aircraft carrier in order that such a carrier may join the fleet at an earlier date than would otherwise be possible.

Officials of the Department of the Navy have assured the Armed Services Committee that there will be an appropriate distribution of the construction program between private and Government shipyards throughout the United States.

I urge the adoption of House Resolution 392 to prompt consideration may be given H. R. 7993.

I know of no objection to the rule nor have I heard of any objection to the bill itself.

Mr. ALLEN of Illinois. Mr. Speaker, I have no objection to the rule, and I do not know of any objection to it. I have no requests for time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SUBCOMMITTEE ON HEALTH AND SCIENCE

Mr. HAYWORTH. Mr. Speaker, at the request of the gentleman from Tennessee [Mr. PRIEST], chairman of the Committee on Interstate and Foreign Commerce, I ask unanimous consent that the Subcommittee on Health and Science be permitted to sit this afternoon at 2 o'clock during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL RIDGWAY

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the reqeust of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, as can be expected, there are now certain desk jockeys and lick-spittle swivel-chair cocktail commandos who are attacking the integrity of the great General Ridgway because of certain charges he has made against the Department of Defense and certain personalities.

I would like to remind you, Mr. Speaker, that General Ridgway commanded the United Nations forces in the Far East. General Ridgway commanded the NATO forces in Europe. General Ridgway is a soldier's soldier. And General Ridgway was Chief of Staff of the United States Army.

Mr. Speaker, the great General MacArthur commanded in the Far East, but not in Europe. The great General Eisenhower commanded in Europe, but not in the Far East. These men were also Chiefs of Staff. But the only great general to command troops in the field in the Far East and in Europe and to be Chief of Staff is the distinguished soldier General Ridgway.

THE STATUS OF FORCES TREATY

Mr. UDALL. Mr. Speaker, I ask unanimouse consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, during recent months the case against the Status of Forces Treaty has been fully outlined in the record of our proceedings by the proponents of House Joint Resolution 309. This morning I presented a statement to the House Committee on Foreign Affairs which sets forth some of the facts and arguments on the other side of this question. The text of my statement is set forth below for the benefit of our colleagues who are interested in studying the many aspects of this problem.

STATEMENT OF REPRESENTATIVE STEWART L. UDALL TO HOUSE COMMITTEE ON FOREIGN AFFAIRS, FEBRUARY 1, 1956

Mr. Chairman, I wish to present a statement this morning in opposition to House Joint Resolution 309. I have made a careful study of the issues framed by this resolution, and I am convinced that it is against the national interest. If enacted it would imperil the North Atlantic Treaty Organization, and disturb the spirit of cooperation which exists between the nations allied with us as partners in programs of common defense.

One of the reasons which impels me to appear before your committee is that the transcript of the July hearings disclosed that not a single Member of the House—of either political party—appeared in person to present the negative side and say the hard things which must be said against this resolution. I am confident, however, that there is a substantial segment of responsible opinion in the House (and in this committee) which supports the forthright position taken by the President and his administrators. Therefore, I think it is important that someone attempt to summarize, for the record, the arguments which make mandatory the defeat of this resolution.

Let me add one other comment before discussing the merits of this controversy. Although the proponents have been at pains to phrase their charges in vague terms (some unidentified "they," we are told, have been parties to a "sellout of American rights") this resolution is an attempt to bully President Eisenhower, and represents a frontal attack on his administration.

Why, you ask, should a member of the Democratic Party take the part of the administration in this quarrel? The answer is quite simple. The Status of Forces Treaty is a prime example of the bipartisan approach in foreign affairs. The NATO council formulated this treaty during one administration, and it was sanctioned and ratified by a successor government. The essence of the nonpolitical approach is that it places the national welfare above party advantage, and it is not difficult for me, in that spirit, to rally behind the President on this unpopular issue.

It seems to me that this resolution poses several questions. The first of these is: Did our Government, as charged, abandon established principles of international law in acceding to this treaty?

WAS INTERNATIONAL LAW ABANDONED?

As usual, international law disputes spawn two schools of thought. As a lawyer I am unable to agree with the interpretation placed on the United States Supreme Court cases by the advocates of this resolution. However, this lawyers dispute is irrelevant and takes place in a vacuum for the plain reason that theories of international law have no practical worth unless they are cognizable in foreign courts. The facts adduced before this committee indicate indisputably that the courts of all 15 NATO countries uniformly have never taken cognizance of such legal theories, and retain full sovereign powers in dealing with military forces of other nations.

Clearly then, the contention that local law-enforcement agencies, without the Status of Forces Treaty, would not have jurisdiction of our troops in NATO countries is thoroughly untenable. This is the central argument of the proponents, and once it has been exploded the second logical inquiry should be:

DID THE TREATY ENLARGE OR RESTRICT RIGHTS?

If, indeed, this treaty confers on our citizens the maximum rights obtainable under the circumstances, we should commend the President and his Secretary of State and their critics should be put to silence.

The evidence now before your committee on this point is uncontradicted and of one tenor:

President Eisenhower: "The NATO status of forces agreements represent the maximum concessions obtainable from the foreign governments concerned, and the agreements are working well in practice." (Transcript, p. 38.)

Gen. Walter Bedell Smith: "* * * It would most certainly follow * * * if the multilateral treaties should not become effective, that less favorable terms than those of these treaties would result from separate negotiations with the respective countries." (Transcript, p. 64.)

Deputy Under Secretary Robert Murphy: "We believe that the arrangements we do have are, in general, the best that we can obtain today. We believe that these arrangements are reasonable and practicable and represent considerable concessions to the viewpoint of the United States by our allies." (Transcript, p. 160.)

CONSTITUTIONAL CONSIDERATIONS

One other, more basic, question should command the attention of this committee. I note, Mr. Chairman, that you and other members have directed questions which exhibit a deep concern, constitutionwise, over the wisdom of enacting this resolution.

I refer, of course, to the propriety of a resolution directing the President to act when the constitutional treatymaking power is lodged in the President himself.

At first blush it would appear that the passage of House Joint Resolution 309 would, in effect, censure the Senate for having been foolish enough to ratify the Status of Forces Treaty in the first place. In any event, there is a grave doubt that the Senate could unratify a treaty once approved. Consequently, would not the House, by passing this resolution, be guilty of arrogating to itself a right to give the Executive advice and consent on treaty matters, a prerogative solely vested in the Senate by the Founding Fathers. One wonders, knowing the propensities of our brethren, if the Senate would not look with seemly scorn on such action?

As for the President's powers, the enactment of this resolution would be nothing

less than a crude legislative encroachment wholly unwarranted by the Constitution. In the present state of the world, with our enormous responsibilities in foreign affairs, this is no time for Congress to weaken the Executive by attempting to usurp Presidential powers. Under our system, the President carries the seals of the office of foreign relations; congressional intrusion in this field can only hinder and harass the Executive in the performance of his constitutional functions.

NATO: A NEW CONCEPT

It would be carrying coals to Newcastle for me to make to this committee more than a few passing remarks concerning our NATO enterprise.

I am fearful that many of the arguments which have been presented here in support of House Joint Resolution 309 show an utter disregard of the basic concepts which make up the NATO idea.

As a peacetime military economic alliance, NATO is without precedent in history. Its member nations stand on equal ground as partners. Its council operates, not by majority vote, but by unanimous agreement. As the founding partner in this free world alliance, it is only fitting that our representatives foster that spirit of mutual regard which in the long run will alone ensure NATO's survival and success. Of necessity, they must deport themselves with wholesome restraint and instill cooperation by respecting the sovereignty and rights of our allies.

Much is said about the fact that our country contributes a lion's share of the men and materiel which form the backbone of NATO. Some do not fully realize, however, that the military bases contributed by many of the member countries, in addition to their other commitments, have an incalculable value—and entail an awesome risk in the bargain. (Experts have estimated that the striking power of our Strategic Air Command would be cut as much as 80 percent if we were denied access to our foreign bases.)

The first objective of Soviet foreign policy since 1950 has been the disbanding of the NATO alliance. Our country should take great care to avoid unwitting actions which might lead to the dissolution or enfeeblement of NATO. Such a misstep could hand the Communists a bloodless victory which might tip the scales against us in the cold war.

CONCLUSION

I would like to conclude my statement with a few general comments on these hearings.

First, I feel that the sincere people who have proposed these resolutions have already accomplished a useful purpose. I have no doubt, Mr. Chairman, that by conducting this inquiry your committee has served notice on our coworkers in the Defense and State Departments that we expect them to exercise the utmost vigilance within the framework of these treaties in protecting the rights of our young soldiers.

It is apparent, too, that there is considerable room for improvement in the protection and assistance accorded our soldiers, and I hope legislation will be enacted, (along the lines suggested by Secretary Brucker), to provide free local counsel for our servicemen who stand accused before foreign courts. We can do this and more to preserve the freedom of our men; and simultaneously we can and must wisely preserve our system of alliances which has done so much to keep the peace of the world.

RELIEF FOR FARMERS

Mr. HARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY. Mr. Speaker, yesterday I introduced a bill which I believe will have the desirable effect of easing the burden the American farmer is presently forced to bear. This legislation will require the Department of Defense to refrain from leasing for agricultural purposes approximately a million acres of land that is temporarily excess to the needs of the Army and Air Force. By taking this public land out of competition with the farmer for the duration of the present agricultural crisis, I am confident that we will be doing substantial service to the farmer and consequently to the American people.

PRICE OF NATURAL GAS

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlman from California?

There was no objection.

Mr. HIESTAND. Mr. Speaker, we hear much these days about special interests and little people, particularly in reference to the Harris-Fulbright bill to decontrol the price of natural gas at the wellhead.

Unfortunately those who raise the loudest cries against special interests have not bothered to define what a special interest is. Either they do not know, or they are deliberately hiding the facts for their own political purposes in order to make unjust accusations against the administration.

The Council of Local Gas Companies, which is fighting against the Harris-Fulbright bill, claims to represent more than 60 local gas distribution companies.

But who are these companies? Are they little utility companies serving the so-called little people?

Absolutely not. On the other hand they are composed of great holding companies, namely:

The United Cities Utility Company of Chicago, which controls many companies in North Carolina, Wisconsin, Georgia, South Carolina, southeastern Illinois, and Tennessee—none of which is locally owned.

The Consolidated Natural Gas Company of New York, which controls companies in New York, Ohio, and the Middle Atlantic States—none of which is locally owned.

The New England Gas & Electric Co., which owns a number of New England companies.

The Algonquin Gas Transmission Co., which is a major shareholder of pipelines in New England.

The United Gas Improvement Company of Philadelphia, which controls four other associated companies in New Jersey and Connecticut.

These big holding companies—all in the $100-million class—are fighting against the Harris-Fulbright bill. Do they sound like little people?

In contrast, the 8,000 little independent gas producers all favor the bill.

Another point:

The opponents of the bill claim that the housewives' gas bills will go up $800 million a year if the bill passes.

Actually the total gross return to these 8,000 little producers is far less than one-third that figure. The only way that consumers' bills could go up $800 million would be for the producers to receive nearly three times the total present price they are getting for selling gas to the transmission lines, which in turn wholesale natural gas to the utility companies.

Also, how can the release of control at the wellhead possibly result in an increase to the consumer? The contract price to the pipelines have been fixed for the next quarter century or so.

Four contracts with the Transcontinental Gas Pipeline Corp. provide for more than four times the daily requirement of gas users of the East. There is no chance for gas coming out of the pipeline to cost more than 1 cent per 1,000 cubic feet of gas—unless these big special-interest gas companies who take nine-tenths of the housewives' gas dollar decide they are going to take some profit, and use this bill as an excuse.

Could it be that the big special-interest gas holding companies are simply tricked into fronting for the Socialists who sponsor controls of all sorts?

How can we refrain from controls at the mine for coal, on the farm for poultry, in the forest for timber, if we justify controlling the price of gas at the wellhead?

Could the opposition to this bill be simply another Socialist plot to undermine our free enterprise system?

USE OF EXCESS WHEAT FOR CHICKEN FEED

Mr. HOFFMAN of Michigan. 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 Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the other day I called attention to the fact that in Michigan, farmers who planted and harvested too much wheat and fed it to their chickens and poultry, are being prosecuted and some of them threatened with jail sentences. Then I suggested that the gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, was sitting on that bill. Now I find I must apologize to him, because coming from the other body yesterday I met him in the corridor, together with the gentleman from Texas [Mr. POAGE] and they both advised me that Mr. COOLEY had not been sitting on that bill as chairman of the committee. I cannot but accept his statement until I learn otherwise. So, I apologize. He said it was a Republican, the gentleman from Kansas [Mr. HOPE] who was holding up the bill to amend the act. It may be that tomorrow I will have to apologize to the gentleman from Kansas [Mr. HOPE]. I am relying on the information I received.

Mr. REED of New York. Will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. REED of New York. They are not sitting on it. The trouble is coming from our side of the House.

Mr. HOFFMAN of Michigan. When will we get the bill?

Mr. REED of New York. My small farmers up home have to pay a fine if they do not store this wheat.

Mr. HOFFMAN of Michigan. I know all about that, but that bill has not been reported out.

Mr. REED of New York. It is the most un-American bill that I know of.

Mr. HOFFMAN of Michigan. I agree with that.

PLAY BALL—THE BROOKLYN DODGERS WILL DO JUST THAT IN JERSEY CITY THIS YEAR

Mr. SIEMINSKI. 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 New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, this evening in Jersey City, the world famous champions, the Brooklyn Dodgers baseball team is to be welcomed at the Jersey City Armory by the people of Jersey City and Hudson County. This season, as you have probably read in the papers, the Dodgers will play eight games at Jersey City's Roosevelt Stadium.

It was early in 1955 that the Brooklyn Dodgers Baseball Club showed an interest in locating some of its National League games at our Roosevelt stadium.

In the beginning, Walter O'Malley, president of the Dodgers; Mayor Bernard Berry, Commissioners Lawrence Whipple, Joseph Soriero, Donald Spence, and John Ringle sat down to discuss this possibility. At the time, the metropolitan press and people in the area scoffed at the possibility that the world championship Dodger baseball team would come to Jersey City. There was a protracted period of negotiations between the two parties. Mr. O'Malley, Mayor Berry and the commissioners steadfastly held to their respective views. Finally, after a long series of conferences, the negotiations bore fruit. On January 24, 1956, a 3-year contract was signed between the Brooklyn baseball organization and the city of Jersey City, whereby for the next 3 years, the Dodgers would play 8 games at the Roosevelt Stadium in Jersey City. The contract contains a 3-year option, the yearly rental will be $10,000. The Dodgers organization also under the contract are permitted to promote other sports events at the stadium and the city of Jersey City will share in 60 percent of the net receipts of such engagements.

This decision of the Dodger association to come into Jersey City represents a milestone in the advancement of sports in the metropolitan area. Jersey City will become the mecca of sports activity in the years ahead.

The Roosevelt Stadium is second to none in architectural design and modern facilities for athletic games. The people of Jersey City and Hudson County have always been sports-minded. They will support the Dodgers wholeheartedly and they will welcome their entry into Jersey City with outstretched arms. The Dodgers are now part of our Jersey City and greater Hudson County family. We are proud to have them, and we will show them by our attendance at their sports games that we are for them 100 percent.

On Wednesday night, February 1, at the Jersey City Armory, thousands from Jersey City and Hudson County will welcome the Dodger baseball organization. The Governor of the State of New Jersey will be there with Mayor Berry, Commissioners Whipple, Soriero, Spence, and Ringle, and all of the officials of the 11 municipalities throughout Hudson County, in addition to municipal officials from the metropolitan area. The Dodgers organization will be represented by its president, Walter O'Malley, its Vice President Bavasi, and a host of the team, including Walter Alston, the world champion manager; Jackie Robinson, Junior Gilliam, Don Newcombe, Sandy Kovacks, Roy Campanella, Carl Furillo, Gil Hodges, and so forth. This will be our official welcome by the city of Jersey City to this world championship Dodger team. It is going to be a gala affair. We are proud to have them. We are going to do our part in giving the team that moral and enthusiastic support which we hope will carry them to another world championship. Play ball, Dodgers, play ball.

PROPOSED SALE OF SYNTHETIC RUBBER PLANT AT INSTITUTE, W. VA.

Mr. YATES. 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 Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, in submitting my resolution disapproving the proposed sale of the synthetic rubber plant at Institute, W. Va., to Goodrich-Gulf Chemicals, Inc., I am mindful of the interest and desire of the State of West Virginia and its congressional delegation to see that this plant is put into production as rapidly as possible. I, too, join with my colleagues from West Virginia in hoping that the Institute plant will soon be opened, bringing employment and other benefits to the people of West Virginia. My resolution for disapproval at this time of the sale of the Institute plant is not based upon any desire to block such a sale. Instead it is based upon my desire, and I believe the necessity, of getting on the record before Congress all of the facts behind the sale so that all of us can feel that it is truly in the best interest of the public and the State of West Virginia.

For instance, the Attorney General in his statements approving the report of the Disposal Commission says that during the course of negotiation he wrote the Disposal Commission that the sale of the facilities to Goodrich-Gulf did not best foster the development of a free competitive industry, since such disposal would add significantly to the substantial position held by Goodrich-Gulf in the field of synthetic rubber. The Attorney General further stated that were this a private transaction rather than a sale by the Government subject to review of the Congress, I would probably request a Federal court to enjoin consummation pending a determination of legality by the court under section 7 of the Clayton Act. In other words, the effect of the sale by the Government to Goodrich-Gulf, as opposed to a sale to one of the other bidders, in the opinion of the Attorney General, may be substantially to lessen competition, or to tend to create a monopoly.

Finally, the Attorney General says that the sale and the contract for sale to Goodrich-Gulf does not adequately protect the right of the small-business man to acquire a fair share of the end product of that facility at a fair price.

Certainly these statements by the Attorney General raise the most serious questions as to why the Attorney General and the Disposal Commission approved the sale as one best designed to foster free competitive industry and to afford small business enterprises the opportunity to obtain a fair share of the end product at fair prices.

These questions are so serious that I believe they must be the subject of congressional inquiry and discussion. My resolution will give to Congress this opportunity.

ATTORNEY GENERAL BROWNELL MISSES AGAIN

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, the Small Business Act of 1953, as amended last year, requires the Attorney General or, if requested by him, the Federal Trade Commission to make surveys for the purposes of determining any factors which may tend to eliminate competition, create or strengthen monopolies, or injure small business. The same act also requires the Attorney General to report to the Congress the result of such surveys, together with his recommendations concerning them. Under date of November 9, 1955, Attorney General Brownell sent to the Congress a report pursuant to that law. I have read the report very carefully, as have many other Members.

Obviously, the Attorney General has surveyed nothing. He has reviewed the law we wrote and made some incorrect statements about its application. He has not touched upon a single matter dealing with the elimination of competition, creation or strengthening of monopolies, injuries to small business, or undue concentration of economic power. He has not mentioned either the words or the subject matter.

THE LATE HONORABLE FREDERICK WILLIAM DALLINGER

Mr. MACDONALD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MACDONALD. Mr. Speaker, it is with regret that I announce to the House the death of a former Member who repsented the Eighth Congressional District of Massachusetts from March 4, 1915, to March 3, 1925, and again from November 2, 1926, to October 1, 1932, Frederick William Dallinger.

Judge Dallinger passed away on September 5, 1955, at a North Conway, N. H., hospital at the age of 83 years. For several years prior to his death he had lived in retirement at Center Lovell, Maine.

Judge Dallinger led a full and useful life, serving his community and State in many public offices. He was born in Cambridge, Middlesex County, Mass., October 2, 1871. He attended the public schools of that city, was graduated from Cambridge Latin School in 1889, from Harvard University in 1893, and from the Harvard Law School in 1897. He was admitted to the bar the same year and commenced private practice in Boston, Mass. He was a member of the American, Massachusetts, and Boston bar associations.

Judge Dallinger was a good Republican and was elected to the State legislature, as a member of that party, serving as a member of the State house of representatives in 1894 and 1895 and served in the State senate, 1896 to 1899. He was public administrator of Middlesex County, 1897 to 1932, and served 3 years as president of the Cambridge Board of Trade. In 1912 and 1913 he was a lecturer on government at Harvard University. He was the author of Nominations for Elective Office in the United States.

Judge Dallinger was elected to the 64th and to the 4 succeeding Congresses—March 4, 1915, to March 3, 1925. He was an unsuccessful candidate for the Republican nomination for the United States Senate. Subsequently he was elected to the 69th Congress to fill the vacancy caused by the death of Harry I. Thayer. He was then reelected to the 70th, 71st, and 72d Congresses and served from November 2, 1926, until his resignation, effective October 1, 1932, having been appointed to the bench. He then served as judge of the United States Customs Court from October 2, 1932, until his resignation, on October 2, 1942.

While it was not my good fortune to be intimately acquainted with Judge Dallinger, I want to pay tribute to his highly distinguished record of service to the Nation and to his native State of Massachusetts. He was known for his devotion to the highest standards of legislative service, first in the State Legislature of Massachusetts and later in the Congress of the United States. Everyone who knew him appreciated his fine character, his generosity and fairness and loved him for those qualities. He was indeed a real American and a true Christian gentleman. Our State and Nation have profited by his life and by his service and will be poorer because of his loss. To all of his loved ones I extend my deepest sympathy. I know that Frederick William Dallinger's memory will live on in the hearts of all the citizens of the Eighth Congressional District of Massachusetts which I have the honor of representing.

Mr. McCORMACK. 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. McCORMACK. Mr. Speaker, as this 84th Congress convenes for its 2d session I take a reverent and respectful moment to note the passing of a former Member of this House from the Commonwealth of Massachusetts. He is Judge Frederick William Dallinger who died in his 84th year on Labor Day, last September 5. Judge Dallinger, who presided over the United States Customs Court for 10 years up to his retirement in 1942, was a man of learning and background. He was a public servant in the best sense of the term, and the kind of scholar whose public life became a part of his material in the teaching of political science. For he lectured on the subject at Harvard and wrote about his public life and the great men of his time with good taste and largely from personal knowledge and contact.

Judge Dallinger served in the House of Representatives from 1915 to 1933 so that he was a Member here from the 64th to the 72d Congress. He was a Republican and liked to refer to himself as an "old-fashioned New Englander." Judge Dallinger and I were participants in the affairs of Government during the latter days of his service in this House and the early days of my career here. He was of one political persuasion and I of another, and I may not have found it possible in my frame of political thinking to go along with Congressman Dallinger on all his views. But I would never hesitate to testify to his integrity, to the honesty of his political convictions, and to his stature as a patriot and a gentleman. Judge Dallinger belonged to the era and was of the genre of such distinguished Americans as Theodore Roosevelt and Charles Evans Hughes. He wrote about his times knowingly and with the validity of the educated man whose approach is factual and well grounded. It may be that his passing will again attract attention to the summary of his views found in his book Recollections of an Old Fashioned New Englander. I commend to your reading also—if alone for its nostalgic interest—his brief work, Some Personalities I Have Known. These personalities include William E. Russell, the late Democratic Governor of Massachusetts; Frederick T. Greenhalge; Roger Walcott; Curtis Guild; Father Thomas Scully, a Catholic Army chaplain; Benjamin Harrison; William McKinley; William Howard Taft; Woodrow Wilson; Warren G. Harding; Calvin Coolidge; and Herbert Hoover. Another of his books worthy of our interest in the political field is Nominations for Elective Office in the United States.

But Judge Dallinger was not only a student and an observer, a public official, a lawyer, and a writer. His influence extended to business and business organization. Born in Cambridge, he was a member of the Massachusetts House and the Massachusetts Senate before the turn of the century and became president of the Cambridge Board of Trade and president of the Cambridge Chamber of Commerce. After his retirement from the bench he engaged in agricultural pursuits, living for years at Center Lovell in Maine. Judge Dallinger was a graduate of Harvard and of the Harvard Law School and will be identified in history as a typical American gentleman ideally prepared for a life of leadership in his time and justifying by his performance the superior advantages which life had given him. He was a Congressman whose ideals of service may well be emulated in our time.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AUTHORIZING CONSTRUCTION AND CONVERSION OF CERTAIN NAVAL VESSELS

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7993) to authorize the construction and conversion of certain naval vessels, 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 consideration of the bill H. R. 7993, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Georgia [Mr. VINSON] is entitled to 1 hour and 30 minutes and the gentleman from Missouri [Mr. SHORT] to 1 hour and 30 minutes.

Mr. VINSON. Mr. Chairman, I yield myself 30 minutes.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. VINSON. Mr. Chairman, the bill we have before us today, H. R. 7993, represents the shipbuilding program for fiscal year 1957 which the President has submitted to the Congress as a part of the budget for this year.

This portion of the budget will be studied by the Appropriations Committee in the near future.

I want to point out at the outset that this bill is not necessary to make it in order for the Appropriations Committee

to make funds available for the ships proposed for construction and conversion in this bill. As the report on the bill indicates, there is available about 1⅓ million tons of ship authorizations from laws which have passed the Congress over the past 20 years.

It is clearly, then, within the province of the Appropriations Committee to provide the Navy with the funds for the 1957 program without the Congress passing this bill.

There is one exception to this and that is the escort vessels totaling 2,800 tons which you will see referred to on page 2 of the bill. The Navy does not have any tonnage in this particular category.

Let me quote from that portion of the President's budget message which deals with this year's shipbuilding program:

> This budget provides for continuation of the Navy shipbuilding program at a slightly higher level than in the fiscal year 1956 in order to carry forward the modernization of the fleet, most of which was built during World War II. In addition to those already authorized by the Congress, there is included in the proposed shipbuilding program for 1957 the construction of a sixth carrier of the *Forrestal* class, additional nuclear-powered submarines, guided-missile destroyers and frigates, and an experimental nuclear-powered cruiser. Provision is also made for developing a practical nuclear powerplant for future installation in ships of the large carrier class. Conversion of ships now in the fleet will be undertaken to provide them with additional nuclear weapons and with guided missile capabilities, and to permit them to operate modern high-speed aircraft.

That is what the President had to say in his budget message concerning shipbuilding for this year.

Now, it is the view of the House Armed Services Committee, and one which I think every Member will agree, that the Congress and the public should know—and know in considerable detail—exactly what ships our Navy proposes to build.

I do not mean by this that they would not know as a result of the study of this portion of the budget by the Appropriations Committee, because that committee would bring out all of the pertinent facts during its hearings.

Also, there would appear in the appropriations bill an item for shipbuilding which would spell out in dollars and cents the amount of money which would be used for shipbuilding during the coming fiscal year. However, in order to obtain the details with respect to the individual ships in the program, it would be necessary to examine the somewhat voluminous hearings of the Appropriations Committee.

Now, the Armed Services Committee is of the view that this is such an important part of our defense program that there should be provided easy opportunity to examine the individual ships to be built and the individual conversions to be made so that the matter can be the subject of full and free discussion and debate. And, that is the real and fundamental purpose of presenting this bill to the House.

I think this is a wholesome way to approach our Navy shipbuilding program not only because of our very natural interest in the progress and development of our naval forces but also because a billion four hundred and fourteen million dollars, the cost of this year's program, is a great deal of money.

With these thoughts in mind, the Armed Services Committee held a hearing and took testimony from the Secretary of the Navy; our new Chief of Naval Operations, Admiral Burke; and the constructor of the ships, Admiral Mumma, the Chief of the Bureau of Ships.

The remarks I am going to make will brief the testimony which we received from these officials and let you and the public know the condition of our Navy today and what it will be in the near future.

I want it clearly understood that the hearings held by the Armed Services Committee and the presentation of this bill to the House in no way should be construed as an attempt to put pressure on the Appropriations Committee. Nothing is further from our minds.

As a matter of fact, during the debate on the appropriations bill any member could offer an amendment to add more money to the bill for particular ships which he might believe we need. Or, he might move to strike some of the funds because of his belief that the Navy was not going in the right direction.

I cannot emphasize too much the importance of this bill because it represents the transition of our Navy from conventional power to nuclear power. It also represents the transition from conventional weapons to guided missiles. All of this I will go into in more detail a little later on.

Although the ships in the program will take various lengths of time to complete, the entire program will be completed four years from now.

I think it will have much more meaning for you if I describe briefly the status and condition of our Navy as it exists today and in the shipbuilding program that is now going on. First, our Navy today. We have 985 ships of all kinds in commission today and we have almost 1,800 ships in mothballs. The personnel strength of the Navy today is 662,000 men. We have over 16,000 airplanes in the Navy.

Of the 985 ships in commission, 404 are combatant ships which includes battleships, aircraft carriers, cruisers, destroyers, and submarines. The aircraft carriers in this number are 26.

That is the picture of the existing Navy.

There are being built today in the United States at some 58 private and naval shipyards throughout the United States 73 fleet vessels. There are 15 more which are authorized but not yet awarded or assigned, making a total of 88 naval vessels in the current building program. In addition, there are being constructed some 1,069 service and landing crafts. There are 1,235 more service and landing craft authorized but not yet awarded or assigned, making a total of 2,304 such craft in the current program.

Of the 88 vessels either under construction or to be placed under construction in the near future, 42 are classed as major combatant ships. Four of them are *Forrestal*-class aircraft carriers, 10 are destroyers, and 1 is a frigate. In addition there are 10 escort vessels and 3 guided missile frigates in the program. Fourteen submarines are being built, or will be very shortly, including 6 with nuclear power.

As I said, these ships are being built in 58 private and naval shipyards throughout the United States. Some of them in Maine, some in New York, some in Massachusetts, some in Washington, California, Connecticut, and Virginia.

All of these ships will cost about $2,785,000,000. Appropriations to cover all of this construction have already been made and the funds are available.

Now that is the Navy as it is and as it will be when these ships are constructed, not counting, of course, the ships in this bill.

The budget which the President recently submitted to the Congress contains an item of $1,429,000,000 for shipbuilding by the Navy. That is the shipbuilding authorized by this bill. This budget requests money for 23 new ships, 5,000 tons of landing and service craft, and for the conversion and modernization of 23 vessels.

The cost of the 23 new ships and the 5,000 tons of landing craft is $1,086,269,000. The cost of modernizing the 23 vessels is $306,393,000. In addition, there is included authorization to commence design and advance procurement for the reactor for a nuclear-powered aircraft carrier. This will cost $22 million.

The total cost of this program, taking into account adjustments from previous programs, is $1,429,000,000. As I have previously stated, this is contained in the President's budget and will soon be considered by the Appropriations Committee.

It is my sincere hope that the Appropriations Committee will see fit to recommend enactment of the shipbuilding funds necessary for the building of the ships contained in this bill and requested by the Navy.

In the case of combatant ships there are over 1,300,000 tons authorized and as yet unobligated and unfunded. In the case of ships other than those of the combatant categories there is less surplus tonnage in the books, but enough to cover everything requested in the current budget except the 2 escort vessels.

It is the province, the duty, and the responsibility of the Congress to choose the ships which shall be provided for our armed services and not to leave the choice of such ships entirely in the hands of the Department of Defense.

It is appropriate that the Congress express its desires in this matter and that the executive branch of the Government take the money appropriated by Congress and provide with it the precise ships specified by the Congress.

H. R. 7993 provides that the tonnage for the ships specified in the bill shall be charged against tonnage already existing and authorized by law. Thus the bill gives the Department of Defense a mandate from the Congress that certain specific vessels shall be built within the broad framework of the general tonnage authorizations already on the books.

At this point I would like to describe some of the more important vessels in

the Navy's building and conversion program. The emphasis is on three things: First, high-performance jet aircraft and, specifically, aircraft carriers designed to carry them; second, guided missiles; and, third, nuclear propulsion.

The major vessel in the shipbuilding program is the sixth aircraft carrier of the *Forrestal* class. We must continue to build these carriers to avoid mass obsolescence in existing carriers in the early 1960's. The bill also authorizes the Navy to commence design and procurement for a nuclear powerplant suitable for installation in a carrier of this class. The Navy hopes to install this nuclear powerplant in an attack aircraft carrier scheduled for next year's shipbuilding program.

I want to draw the attention of the Members of this House to the fact that this bill contains the first nuclear-powered surface ship. It will be a guided missile cruiser of about 11,000 tons. Through the building and operation of this ship the Navy will gain information which will be extremely helpful in developing the nuclear plant which the bill authorizes for an aircraft carrier.

Also, this ship will be the first one designed from the keel up to handle guided missiles and it will add greatly to the offensive and defensive abilities of the carrier task force which is, of course, the main striking arm of the Navy.

Additional guided missile abilities will be supplied to the fleet by the 4 guided-missile frigates and the 8 guided-missile destroyers in the building program.

Now, those are the new ships.

The conversions in the bill involve five existing light cruisers which will be converted to carry guided missiles. These, in addition to those currently underway and recently completed, will provide substantial guided missile capabilities for the fleet, quickly, at relatively low cost, and without greatly detracting from the other weapons potentials of these vessels.

The shipbuilding program for submarines marks the first building program since the war which does not contain any conventionally-powered submarines. All six of the submarines in this program will be nuclear powered. This makes a total of 14 nuclear submarines planned, building, or completed. The day is not far distant which the bulk of our active submarines will be atom powered. The Navy has made tremendous strides in the development of this potent new weapon and this year's program will make substantial contribution to its ability to retain control of the sea.

Other vessels in the bill represent continuation of long-range building programs of the Navy aimed at avoiding the prospect of mass obsolescence of vessels built in World War II. For example, eight destroyers previously mentioned in connection with their guided-missile capabilities, the escort vessels, and an ammunition ship.

In order to extend the useful life of existing carriers, the Navy is also converting four aircraft carriers to take the angled deck and other features necessary for handling the high-performance aircraft coming into operational use. This includes the conversion of the remaining unconverted carrier of the 45,000-ton *Midway* class.

The Navy is also going ahead with the development of amphibious warfare techniques. The conversion of a second escort carrier to an amphibious assault ship will permit the transportation, equipping, and landing of a considerable number of troops by helicopter. Also, the conversion of a modern high-speed vessel of the *Mariner* class to an attack transport will add to our amphibious capabilities.

The Navy is also planning to build hydrofoil landing craft—a small craft which will ride on skis at speeds of up to 30 knots to enable rapid loading of troops and equipment.

Now, I have described both the shipbuilding program that is now underway for which authorizations and appropriations have been made in previous years and I have also described the program for the coming year.

I hope I have been able to get all of these facts clearly in the mind of each Member; but, in any event, I would like to draw the attention of everyone to the report on this bill.

I have had the report prepared this year so as to give a good bit of the historical background of our naval authorizations, a brief summary of the costs of the various parts of the program, the basic considerations on which the program is based, and a fairly detailed description of each of the ships in the new program.

In addition, I have set out in the report not only how many ships are being constructed under the current program, but also the names of the shipyards where the work is going on.

I would like to direct the attention of each Member to this report because it is very detailed, and I think it will answer the great majority of questions which he may have in his mind.

All in all, I believe this to be a well-rounded program, one which merits the support of every Member of the Congress—a program which will make it clear to everyone that our Navy intends to continue to control the seas and back up our foreign policy with invincible strength; that we will always have effective force available on short notice off any shore where it is needed; and that those who engage in aggresison against any part of the free world do so at their peril. In summary, then, we have 985 ships in commission, 1,800 ships in mothballs.

The strength of the Navy is 662,000 men, 16,000 airplanes.

Of the 985 ships in commission, 404 are combat ships, 26 aircraft carriers in commission.

The above is a picture of the existing Navy today.

In the United States, private and Navy shipyards throughout the country are building 73 fleet vessels; 15 more are authorized but not yet awarded or assigned, making the present shipbuilding program a total of 88 vessels.

In addition, we are constructing 1,069 landing craft; 1,235 more service and landing craft authorized but not yet assigned, making a total of 2,304.

In the present shipbuilding program of 88 vessels, 42 are classified as major combatant ships; 4 of them are *Forrestal*-class aircraft carriers, 10 are destroyers, and 1 is a frigate.

In addition, there are 10 escort vessels and 3 guided-missile frigates in the program.

Fourteen submarines are being built, including 7 with nuclear power.

These ships are being built, some in Maine, New York, Massachusetts, Washington, some in California, Connecticut, and Virginia.

The cost of this program is $2,785,000,000.

Appropriations to cover all of this construction has already been made and funds are available.

The cost of these ships is $1,429,000,000.

The budget requested money for 23 new ships, 5,000 tons of landing and service craft, and for the conversion and modernization of 23 vessels.

Now, that is the program referred to in this bill.

Now, let us break it down:

The cost of the 23 new ships and the 5,000 tons of landing craft is $1,086, 269,000. The cost of modernizing 23 vessels is $306,393,000.

In addition, there is included authorization to commence design and advance procurement for nuclear reactor for aircraft carrier. This will cost $22 million.

The conversion program of the 23 vessels involve converting 5 existing light cruisers to carry guided missiles.

The conversion of the *Coral Sea*, the last of the 3 large *Midway* class, will provide for modernization of that vessel. The other three aircraft carriers, the *Intrepid*, the *Oriskany*, and the *Lake Champlain* will be converted by modifying them to an angled deck and receiving other alterations which will enable them to handle advanced types of naval aircraft for a period of several years.

The conversion of the submarine will launch guided missiles.

The Navy contemplates the conversion of a second escort carrier capable of landing large numbers of troops by helicopter.

These conversions, as I have previously stated, are referred to in greater detail in the report. They will cost $306,393,000.

There are 23 new ships, 5,000 tons of landing craft, and 23 vessels to be converted in this manner.

Now, that is the program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. Did I understand the gentleman to assure us that none of the conversion program or the construction program will be done in foreign shipyards?

Mr. VINSON. Every ship in this program will be built in a United States shipyard.

Mr. GROSS. That is good.

Mr. COLMER. Mr. Chairman, will the gentlemen yield briefly?

Mr. VINSON. With pleasure.

Mr. COLMER. I noticed in the report on page 9 that the committee has received assurance of officials in the Department of the Navy that there will be appropriate distribution of the construction program in accordance with the foregoing and also between private and Government shipyards.

I recognize the difficulty the committee would have in trying to spell out just where these ships will be constructed. But am I justified in assuming from that language that the committee did go into that matter and that there will be substantial distribution so that the yards in all sections of the country will be used?

Mr. VINSON. Mr. Chairman, I am glad the distinguished gentleman from Mississippi [Mr. COLMER] has brought that up. A moment ago I stated that under the present shipbuilding program, and even under the law, construction must be divided 50–50 between industrial yards and Navy yards. During the hearing, I particularly asked the Secretary about that and the Ship Constructor, the head of the Bureau of Ships. I told them that it was the opinion of the committee that we should endeavor to distribute this shipbuilding program throughout the length and breadth of the United States, that we should give it to yards all over the country. It is a large, healthy program and it is to be hoped that all yards will have an equal opportunity to build these ships, if they meet competitive prices when bids are asked for.

Mr. COLMER. And competitive prices will be an important factor in this consideration?

Mr. VINSON. Of course, they will.

Mr. COLMER. I thank the distinguished chairman.

Mr. VINSON. I say that in this bill we are right at the borderline of the transition from conventional steam propulsion to the use of nuclear power in operating our ships. This measure is an important and historic one because, as I say, it marks this transition. You will find that in this bill, for the first time in the history of this Government, we are laying down, from the keel up, the construction of the ship designed, in the first place, for guided missiles and in the second place, the first surface ship with nuclear propulsion.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I congratulate the gentleman on the statement he is making. Certainly he realizes that as I have the honor to represent the New London-Groton area, I am very much interested in his statement. I wonder if the gentleman could elaborate in more detail than is in the bill and in the printed report on submarine development, particularly in connection with the development of nuclear power.

Mr. VINSON. I do not believe I should go into detail for various reasons which include very technical matters which I am not qualified to talk about. We are merely providing that there will be 6 more nuclear-powered submarines. The *Nautilus* is already in existence, the *Seawolf* not far behind. The information we have obtained in regard to the operation of the *Nautilus* will be of great benefit in all the work in connection with nuclear propulsion.

Mr. SEELY-BROWN. I thank the gentleman.

If I may ask one further question, Is it the gentleman's personal conviction and belief that the development of nuclear-powered submarines is going to be an expanding operation in the future?

Mr. VINSON. The bill right now provides for several more of these nuclear submarines. Of course, it is going to be expanding. The day is not far distant when every ship in the American Navy will be operated under nuclear power.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from North Carolina.

Mr. BONNER. The gentleman is talking about something in which I am very much interested from the experience we had here in the House. We passed in the House an authorization for the construction of a practical combination of cargo-passenger vessel powered by nuclear energy. That bill went to the other body and was transferred around winding up not to the committee that handles legislation parallel to that handled by our Committee on Merchant Marine and Fisheries here in the House, but to the Joint Committee on Atomic Energy.

The question I want to ask is this: You are dealing here with nuclear energy for the propulsion of aircraft carriers, submarines, destroyers, and so forth. When this bill goes to the other body, will it be handled by the Joint Committee on Atomic Energy, or what will be the policy in the future with respect to such matters?

Mr. VINSON. This bill will go to the Armed Services Committee of the Senate.

Mr. BONNER. This bill will go that way but other legislation has not. Can the gentleman explain that?

Mr. VINSON. The only explanation I can give, and the gentleman will pardon me for the explanation, is that I am going to try to channel mine to where it should go.

Mr. BONNER. I want to get some of the gentleman's wise counsel.

Mr. VINSON. I will take that up with the gentleman at any time.

Mr. BONNER. I appreciate it, but I want to go further with this. Does the gentleman understand in his committee that in dealing now with atomic energy for vessels you have to confer with the Joint Committee on Atomic Energy before you can do anything with that subject?

Mr. VINSON. In reply to that statement, may I say that there are 37 men on the committee that I have the honor to serve as chairman, and when we make up our minds about something we do not consult anybody. We come on the floor of the House with the matter.

Mr. BONNER. The House sustained the Committee on Merchant Marine and Fisheries in this same proposal. I want to know if in the future these bills will go to the Joint Committee on Atomic Energy from the standing committees of the House such as the gentleman's committee?

Mr. VINSON. I would say with all deference to the gentleman, and in all seriousness, and I have great respect for the Joint Committee on Atomic Energy, that this bill will not go there. We have no requirements to consult them, because we think the facts the Navy faces today warrant it in going ahead and building nuclear power into the ships that are called for in this bill. Each of the committees has its own proper sphere.

Mr. BONNER. I agree with the gentleman and I should like to state at this time that if there is referred to this body, either from the Senate or from any other source, a legislative proposal contemplating the construction of a nuclear-powered merchant ship or for that matter any other kind of merchant ship, I shall expect that the proposal will be referred to the Committee on Merchant Marine and Fisheries. There can be no question but that the Merchant Marine Committee has jurisdiction under the Legislative Reorganization Act of 1946 to consider proposals of this nature.

Did your committee authorize the construction of the *Nautilus*?

Mr. VINSON. Yes.

Mr. BONNER. And not the Atomic Energy Commission?

Mr. VINSON. Of course not, we authorized it ourselves just as we are authorizing this. If there is one thing that these 37 men on our committee are very jealous of, it is our prerogatives. We do not want to trespass on anybody else's prerogatives and we certainly are not going to let anybody trespass upon us.

Mr. BONNER. I want the House to know I am very jealous of the authority vested in the Committee on Merchant Marine and Fisheries. I have no ill feeling toward the Joint Committee on Atomic Energy.

Mr. VINSON. I thank the gentleman.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. HALE. I am surprised to note on page 2 of the report under the paragraph captioned "Legislative Background" references to statutory limitations of Navy ship tonnage contained in the Washington and London Naval Treaty of 1922 and 1930. What I would like to know is whether there is any treaty inhibition applicable at the present time to the size of our fleet?

Mr. VINSON. The gentleman means whether there is any inhibition on the size of our fleet without authorization?

Mr. HALE. That is right.

Mr. VINSON. The answer is "No." But let me also point out that there were 1,300,000 tons previously authorized, starting on March 7, 1934, down to date. That is the tonnage which remains on the statute books which would permit the Committee on Appropriations to make appropriations for the construction of ships. As I have said at the outset, it is not necessary to have this bill here today to make it in order for the

Committee on Appropriations to grant the necessary funds when it brings in a line item and a money figure for so many ships.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SHORT. I merely want to point out to the gentleman from Maine that there is no limitation by any kind of treaty at all. It is entirely up to the will of the Congress.

Mr. VINSON. That is correct.

Mr. HALE. That is exactly what I wanted to know and it troubled me.

Mr. VINSON. It was merely referred to because the buildup of the Navy started after the Washington-London Treaty.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the record of carrier task force operations in World II, the Korean war, and recently in operations in the Formosa area, attests to their indispensability in the discharge of basic naval missions. Never in the history of warfare has naval power attained such undisputed offensive capabilities as by the current exploitation of naval airpower. This has been achieved by an aggressive, orderly development of the best possible ships, weapons, and aircraft. Modernization of ships has long been a Navy policy. Since 1946 the Navy has kept pace with the advancement of aircraft of higher speeds, greater weights, and longer ranges by means of converting existing aircraft carriers. There is a limit, however, to the improvements which can be achieved by modernization. Today the Navy is faced with a situation where it can no longer improve its World War II aircraft carriers to the extent necessary for them to fully meet the needs of future operations. The Navy realized at the end of World War II that such a situation would exist in the foreseeable future. Therefore, it began early to press for new and larger carriers. In 1949 the first of this class of carriers was authorized. This was the *United States*, but shortly after the keel of the *United States* was laid, it was ordered canceled by the Secretary of Defense for economy reasons. However, in 1951 it became apparent that it was a grave mistake to deny new, modern carriers to the Navy and the U. S. S. *Forrestal* was authorized to be built. Succeeding Congresses have authorized and appropriated for a total of four *Forrestal* class carriers. Many experts on naval warfare have stated that it is necessary for the Navy to build up to a strength of at least 10 to 12 *Forrestal* class carriers if it is to retain its offensive combat capabilities. The aircraft carrier who construction is authorized by this bill, will be the sixth of the *Forrestal* class carriers.

There are many important reasons why the Navy needs carriers of the *Forrestal* class to accomplish its mission. The weight of aircraft has been steadily progressing in an upward direction since the *Essex* carriers were laid down. The upward trend became even sharper with the introduction of jet aircraft burning aviation fuel at a rate over three times the normal reciprocating engine rate per sortie. In order to get any range at all, it has been necessary to put more gasoline in each airplane. In order to carry this additional gasoline the plane has become larger, thus increasing in weight. A look at the airplane weights will show that if the Navy is to continue the development of aircraft of higher performance at longer range the carriers must have stronger decks. This can be done in the *Forrestal* class, but otherwise the Navy will be forced to use inferior aircraft because the decks of existing carriers can no longer be improved, particularly the flight decks of the relatively numerous *Essex* type.

The matter of aviation fuel is important since the introduction of jets has caused fuel requirements to more than triple. This problem has been partially solved in conversion by fuel blending. The process of fuel blending involves mixing high-octane gasoline with a low flash-point type of kerosene which can be carried outside protected stowage. The resulting mixture of aviation fuel can be burned in jet engines. Except for this solution of the problem, it is necessary to utilize the ships' fuel oil stowage which reduces the cruising radius of the ship. The point has been reached where fuel blending is no longer sufficient to provide the needed fuel capacity. Therefore the cruising radius of carriers has been reduced as low as possible, but by so doing only sufficient aviation fuel capacity has been provided to account for expected aviation development during the next few years. After this, as jet fuel consumption further increases, there will be nowhere further to go. The limit with the old ships will have been reached. The only way of getting sufficient fuel will be through the use of a new type of ship.

All of the Navy's present carriers were designed during an era in which most planes were deck-launched. This permitted short intervals between aircraft launchings; much shorter than for catapult launchings. In addition until very recently, air defense has been provided primarily by fighters remaining aloft on 3-hour combat air patrols. In other words, there was a constant covey of defensive fighters in the air. These fighters were supplemented by launching a smaller number of fighters with equal endurance as enemy raids approached. At present, however, because of the switch to jet fighter planes which require longer and longer decks for conventional takeoffs, all fighter-type aircraft are launched from aircraft carriers by the use of catapults. Due to the limited endurance of a jet fighter, more reliance is placed on rapid launching of fighters to meet raids. A *Forrestal*-type carrier will excel for operations of this type because of its four catapults. These 4 catapults would permit the launching of 32 interceptors in as little as 4 minutes.

Those of us who have visited the *Forrestal* are utterly amazed—and I might say that the Secretary of the Navy in the near future is going to extend an invitation not only to the members of the Committee on the Armed Services, but also to all Members of the House, and I suppose to Members of the other body also, to take a little trip on the U. S. S. *Forrestal* as well as the *Nautilus*, the atomic-powered submarine that has far surpassed the expectations of the most optimistic, and also one of our guided missile launching ships. I hope all of the Members when they receive that invitation will find it possible to accept.

If one of the *Forrestal's* catapults is out of order the reduction is only 25 percent; there are still three left. On the other hand, existing carriers, which have only 2 catapults, could approach only half of this rate, and if 1 of these 2 catapults were out of commission the rate would be reduced by 50 percent. It is important to realize the impossibility of installing additional catapults on a ship designed for only two. There is not enough moment or weight compensation available and far too little deck area in present carriers for the installation of additional catapults.

The requirement for aviation ordnance stowage space constitutes another factor requiring a completely new carrier design. Existing carriers were designed for planes which would carry not over a ton of bombs or rockets. The present single-engine attack type alone can carry 4½ tons and regularly carried 3 tons in Korea. Present carriers, even when converted, have barely enough stowage space for present demands for aircraft ordnance. While no further increase in tonnage per plane is to be anticipated, new weapons are being developed which will require more stowage space per ton. These weapons include atomic bombs, guided missiles and a new series of conventional bombs with long, streamlined shapes which do not stow as efficiently as the blunt end cylindrical types. All ordnance and all fuel compete for space inside the armored box of the modern carrier; in existing carriers this box is only so big. It cannot be increased. Consequently, space is the controlling factor. A larger carrier is necessary if the situation is to be improved. While the fully converted carriers now at sea have barely enough room for a minimum stock of air-to-air missiles, the new large carrier will have ample room for at least three times this quantity. Also, the Navy's converted carriers have only a minimum amount of 20-millimeter ammunition and rocket capacity over present needs. It is to be expected that the consumption of these items will grow; the large new carriers will provide for about one-third additional growth for 20-millimeter ammunition and rockets. Also, in using the converted carriers for mine warfare it is necessary to displace bombs with aerial mines. In the new carrier it will be possible, because of additional stowage space, to carry significant stocks of mines without displacing bombs.

It is important to note that the largest tonnage requirements for ordnance do not arise incident to the operation of long-range aircraft from carriers. The maximum demands for ordnance come into existence when many planes of the smaller type are operated at short ranges, such as in Korea. Therefore,

the expanded ordnance space on large carriers is primarily the result of needs for short-range tactical operations.

Each class of Navy carrier was initially designed to acommodate approximately 100 aircraft, depending, of course, on types and sizes. Approximately one-half of these aircraft are stowed in the hangar deck. If the hangar deck is not of sufficient size or the elevators which carry the planes from the flight deck to the hangar deck are not of sufficient capacity and size to accommodate aircraft, approximately 50 percent of aircraft capacity will be lost. In other words, the hangar deck space can be utilized only if it is high enough to accommodate existing aircraft or if the elevators have sufficient capacity to take the airplanes below. In order to utilize the existing carriers, it has been necessary to adapt such expedients as folding tails, folding wings, kneeling airplanes, and so forth. All of these methods of making sure that the airplane will fit in the hangar deck have an effect upon the design of the aircraft. The major deficiency in existing carriers is hangar height. Since the *Essex* class, all Navy carriers have been built around a 17-foot-6-inch hangar deck. Aircraft designed for higher speeds, approaching the supersonic, requires higher and higher tail fins. In the latest classes of aircraft it has been necessary to incorporate a folding tail fin in order to stow them in the existing carriers. This adds weight to the aircraft and adversely affects its design. In the *Forrestal*-class carrier the hangar deck height has been increased to 25 feet which should permit avoiding most of the expedients which have limited advancements in design.

It seems certain that if fighter performance is to increase, landing speeds must also increase. In the case of land based aircraft, airports are becoming longer and longer to accommodate the newer types. While in carriers arresting gear is used, the space which the aircraft must utilize to land will of necessity increase due to higher landing speeds. The new carrier provides for this growth through increased length and width of the landing area.

Finally, there is a need for better protection against torpedoes, bombs and other weapons. In the Navy's existing carriers of the *Essex* class, there is a wooden flight deck which is most susceptible to top-side damage. On the other hand, the *Midway* class of carriers has a steel flight deck which is considered by the Navy to provide ample protection from top-side damage.

This type of flight deck will be installed on the new carriers of the *Forrestal* class. Installation of a steel flight deck on conversions of the *Essex* type carriers would be prohibitive both as to weight and as to cost. In the *Forrestal* class carriers there will be installed an additional holding bulkhead which will enhance protection against underwater damage and, which, the Navy is very sure can repel any known torpedo. More and more weight has been added to the hull of the *Essex* carriers so that these carriers now displace in the neighborhood of 36,000 tons in comparison with their original displacement of 27,000 tons. Naturally it has been necessary to sacrifice some underwater damage control features in order to accomplish this increase in displacement. The design is still within a safe range but to exceed the current displacement would amount to too great a risk, particularly if a ship were damaged in its full-load condition.

To sum up, the requirement for the large carriers is completely analogous to the problem of airfields—civilian and military. Modern aviation can no longer operate satisfactorily and safely from airfields which were constructed a few years ago and which were then entirely adequate. In the same way that older airfields have been stretched and improved, so have our present carriers been modernized through conversion. But as airfields reach a limit of elasticity, so there is a limit to the possibilities of carrier conversion. If naval aviation is to make full use of the weapons and aircraft coming into being in the near future larger carriers are an imperative necessity. I strongly urge that the Congress support a program of adding one aircraft carrier of the *Forrestal* class or better to the fleet each year as long as it continues to be apparent that the aircraft carrier will play a vital part in the defense needs of the Nation. By continuing the orderly replacement of older carriers with one *Forrestal*-class carrier each year, the Navy will be able to keep pace with the new types of aircraft as they develop and will retain the great combat potential which it now possesses. This does not mean that the older aircraft carriers of the *Essex* class will be discarded. They will remain valuable for the accomplishment of many missions which are now relegated to the smaller CVL and CVE classes of aircraft carriers. Support operations just like combat operations are developing newer, larger, and faster aircraft, and requiring larger aircraft carriers for their operation. The orderly development of the aircraft carrier building program will insure that the Navy's emergent requirements are met in the most expeditious and economical manner possible.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Illinois.

Mr. SPRINGER. In this new construction of aircraft carriers and in the conversion of others, will this make possible a wider range of coverage by airplanes from those carriers?

Mr. SHORT. It will. I am confident that it will.

Mr. SPRINGER. Now, will it be substantial?

Mr. SHORT. I think it will be substantial, because they are larger planes with longer range.

Let me take time right at this point to say this: I think the distinguished chairman brought it out in his statement, but we cannot overemphasize that we are at the dawn or the beginning of an era of transition from the conventional method of propulsion to that of nuclear power.

There is provision in the bill for an atomic-powered cruiser, whose sole mission is to carry guided missiles. Its range will be limited only by the endurance of the crew, just as we hope that in future years a B-52, or a comparable aircraft, will be able to fly indefinitely around the world, 2 or 3 or a half dozen times, perhaps, without refueling, whose range and length of operation will be limited more by the endurance of the crew than the machine itself. I think I can make that rather startling statement, although I am no scientist or the son of a scientist. I think even in my advanced years, I am going to live long enough to see that accomplished, because of the tremendous strides in science we have made since the close of World War II.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield for one more question?

Mr. SHORT. I yield to the gentleman.

Mr. SPRINGER. I read from the report that was submitted; and this refers to the U. S. S. R.:

> Her submarine fleet now numbers over 400, of which a large percentage are new construction, long-range boats. In each of calendar years 1956 and 1957, she will commission about 75 to 85 new modern submarines. Besides this huge underseas fleet, the U. S. S. R. has built more destroyers and cruisers since World War II than all of the nations of the rest of the world combined. These surface ships are modern and incorporate the latest technological equipments.

Is there any intelligence or evidence before the committee that these will carry guided nuclear-powered missiles?

Mr. SHORT. Our intelligence is only fair, and of course it is impossible for us to know all of the details of the various weapons that the Soviets are now manufacturing. But that statement, that was given to us by no less a witness and authority than the Chief of Naval Operations, was quite shocking and startling, at least to me. But, from the best intelligence it would seem the Russians now have more than 400 snorkle submarines. We have no evidence that they have any driven by atomic energy or nuclear power.

Mr. SPRINGER. Does the gentleman's committee have any intelligence or any credible evidence that these vessels are using or contemplate using guided missiles?

Mr. SHORT. If we can achieve that, it is only reasonable to suppose that the Soviets, who have the advantage of the services of many German scientists whom they took at the close of World War II can achieve it, just as they are catching up with us in the development of the atomic and the hydrogen bombs. Of course they will develop guided missiles, and they are not making them to sit on. We are not so different from other people. We have no monopoly on the brains and genius of the world. I think that at the present time we are superior to the Soviets not only in our naval strength but also in our scientific research and technological development. We must maintain this superiority. But we should not be so foolish as to bury our head in the sand and feel safe, because certainly we have enough intelligence to know that the Communists have

made such tremendous strides in building up all branches of their armed services, such as the new fast type interceptor and long-range bomber, that it is frightening.

The most disconcerting thing in connection with these 400 large, fast submarines of the snorkel type is that the Nazis had only 150 in World War II, but they sank 54 of our 59 tankers off the eastern coast, carrying oil from Aruba and Curacao to our eastern seaports, and came dangerously near winning the war. If the Nazis could do that with 150 submarines, imagine what the Russians could do with over 400 submarines. Despite the fact she has been traditionally a great land power depending on her army, she has made more progress in building up her navy since the close of World War II than any other country in the world. She is the second maritime power now, far ahead of Britain and next to the United States.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I compliment the gentleman on his good, intelligent statement, and the excellence of his technical approach. I served on a carrier in World War II. When we hear that a carrier can now launch in 4 minutes 32 planes, it almost makes us feel we were in a different kind of war in the South Pacific. We do need this additional striking power, as the gentleman pointed out, because it makes us able to hit a possible enemy in half the time and at half the distance at which they can hit bases in the United States.

I thank the gentleman again. I think he has made a fine satement.

Mr. SHORT. I thank the gentleman from Pennsylvania, who has had first-hand experience and usually knows what he is talking about.

Mr. McVEY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Illinois.

Mr. McVEY. I want to compliment the gentleman from Missouri on his very excellent presentation of certain phases of this subject.

There is one question of interest to me. If this bill passes and carries an authorization for a fairly large appropriation of money, I am wondering, if such appropriation is recommended by the Committee on Appropriations, if such action will be in keeping with our efforts to balance the budget.

Mr. VINSON. This is in the President's Budget. The President's Budget makes this money available.

Mr. SHORT. But there is no increase over the recommendations of the President?

Mr. VINSON. That is right.

Mr. SHORT. The money will have to be appropriated, of course, to carry out the authorization.

Mr. McVEY. The amount is an accordance with the President's recommendation?

Mr. SHORT. It is not in excess of what the President has recommended; in fact, it carriers out his recommendation.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. In addition to the program being in accordance with the President's Budget, is it not true that it has the approval of the Joint Chiefs of Staff?

Mr. SHORT. It does have such approval, not only of members of the Joint Chiefs of Staff but the Chairman of the Joint Chiefs and the Secretary of Defense. I think it has cleared all agencies in the Department of Defense.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to thank the gentleman and also the committee for the very fine report which has been made available to the House in support of this bill.

Mr. SHORT. That is because we have a marvelous professional staff on our Armed Services Committee.

Mr. EDMONDSON. I am particularly impressed by the emphasis which is placed in this report on the advantages of carrier-type preparation for nuclear war. I refer particularly to the paragraph on page 6 dealing with vulnerability, pointing out that a modern carrier task force can spread out over an area of 31,000 square miles. Obviously, a force spread over an area this size does not present a profitable target to an enemy regardless of the type of bomb he may use.

I think this emphasis on the possibility of maximum dispersal in connection with carrier operations is very well placed. Certainly, we are seeing in our other branches of the Armed Forces an increasing emphasis upon this dispersal and its importance in a nuclear-type war. Certainly the committee has pointed out very well the importance of this dispersal in connection with carrier-type operations. I think anyone who questions the desirability of aircraft carriers and their continued construction and use will have to recognize that here we have a maximum degree of dispersal for a nuclear-type war and a defense against a strike by the enemy. I think the gentleman has made a real contribution to our understanding of the need for these aircraft carriers and their continued modernization. I thank the gentleman.

Mr. SHORT. We appreciate very much the kind words of the gentleman from Oklahoma. He can speak from some personal experiences of his own.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. VAN ZANDT. I am sorry I missed the statement of the gentleman from Missouri, but a constituent called me off the floor. In addition to the fact that this program represents, we will say, an initial effort of the Navy to move into the atomic and hydrogen age, is it not true the Navy is expanding its atomic shipbuilding capabilities on both coasts to the point where they will soon be in a position to start work on various types of ships necessary for nuclear power task forces.

Mr. SHORT. That is my understanding but the gentleman from Pennsylvania knows more about that than I do.

The CHAIRMAN. The gentleman from Missouri has consumed 26 minutes.

Mr. JOHNSON of California. 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 California?

There was no objection.

Mr. JOHNSON of California. Mr. Chairman, I am heartily in favor of the bill before us and intend to vote for it in the event of a rollcall.

When I first became a Member of Congress I had the Mare Island Navy Yard within my district. In that way I frequently called on Frank Knox, Secretary of the Navy, and discussed Navy problems. It is interesting to remember that at that time his executive assistant was one Adlai Stevenson, who has been a candidate for President, and may become a candidate for President again. He treated me very courteously and I have always remembered the help that he and Secretary Knox gave us.

One matter that he kept drilling into my mind was that the Navy must let contracts out for the construction of ships to private-enterprise yards. The idea was that the skill of building ships must in that way be kept alive, and also abreast of the new ship designs and other things which had the effect of changing shipbuilding skills. The purpose that was continually emphasized was that these skills should be kept alive so that the navy yards operated by the Navy Department would, in the event of an emergency, have a pool of skilled manpower that could be brought into the yards in order to maintain the proper strength.

I note with much pleasure the statement on page 9 of the report. I am using this statement at this point as part of my remarks:

CONSTRUCTION THROUGHOUT THE UNITED STATES

Although the bill does not so provide, it is obviously in the interest of the country that shipyards, Government and private, throughout the United States be afforded opportunity to construct and convert the vessels in this program. A healthy, vigorous, and easily mobilized shipbuilding industry is an essential element of our national defense. The rapid expansion which would be necessary in the event of war or an emergency would heavily tax all of the shipyards in the United States. Clearly, then, the lack of readily expandible shipyard facilities throughout the country would constitute a serious impediment to our defense effort. This is a mere reiteration, of course, of what has been in the past our national policy in this respect. Existing law—act of May 17, 1938 (34 U. S. C. 498j)—makes provision for the construction of ships on the west coast where the President deems such to be necessary in order to maintain facilities needed in our national defense. The committee has received the assurance of the officials in the Department of the Navy that there will be appropriate distribution of this construction program in accordance with the foregoing and also between private and Government shipyards.

I am particularly pleased that there is a reference to the maintenance of construction in west coast yards.

It happens that in my little city of Stockton, we have a very excellent inland port, 80 miles from the Golden Gate in which practically every type of merchant ship may dock. Our depth of water is 30 feet, and millions of tons of shipping were carried out from this port to the Pacific areas during World War II. We have two excellent shipyards in Stockton. One is owned by the company Guntert and Zimmerman, and the other is known as the Colberg Boat Works. Each of these plants did a remarkable job during the war. They built vessels by the score and I believe that they are more than capable of building some of the small craft described in this bill. I sincerely hope that the Navy will take a look at these yards and find some way to grant them the opportunity to display their shipbuilding skills. Their past record is what they are wiling to stand on. That is the one item in which I believe the Navy would be interested. I am confident that after their record has been examined and if the Navy can find an opportunity for construction of some of this tonnage in either or both of these yards, they would make a success of the job. Furthermore, these plants are now idle and I think that the Navy should consider using them for some type of work, especially since the report indicates that the west coast yards should be utilized so the civilian shipbuilding skills may be preserved.

Mr. SHORT. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. WOLVERTON] such time as he may desire.

Mr. WOLVERTON. Mr. Chairman, I am in full accord with the Navy shipbuilding and conversion program for 1957 as outlined in the legislation —H. R. 7993—now under consideration.

The Committee on Armed Services has made clear in its report, and, supplemented by the remarks of Chairman VINSON and the ranking Republican member of the committee, DEWEY SHORT, that it is the intention, by fulfilling this program, to keep our Navy not only equal to but better than the Navy of the Soviets.

It is indeed encouraging to realize that our Defense Department is keeping aware of the extent of the shipbuilding program of the Soviets and alert to the importance of our keeping ahead of them. Otherwise, we could be caught napping and be weak when we should be strong. Our security should not depend upon our being only equal to our enemy in a time of war, whomever it might be, but should be strong enough to give us precedence over any nation who might challenge our peaceful existence. And, this is what this bill seeks to accomplish by making the authorizations previously adopted to be effective during the fiscal year 1957.

The program as set forth in this bill provides for the construction of 23 new ships, of which 22 are combatant types, 5,000 tons of landing craft, and for the conversion and modernization of 23 vessels. The estimated total cost for new construction and conversion amounts to $1,414,662,000. The new ships total 144,800 tons. The ships involved in the conversion portion of the program total 282,700 tons.

The basic purpose of this shipbuilding program at this time is to make certain that our Nation is well prepared to meet the progress being made by the U. S. S. R. as it seeks to bring its naval strength up to a position of major naval importance. It is considered on good authority that it now ranks second only to the United States. During the years succeeding World War II the U. S. S. R. has made tremendous advancement in its military strength. This has been particularly noticeable in its increased naval strength. It now has a submarine force numbering over 400. A large percentage of this is new construction, long-range boats. In 1956 and 1957 it is expected the Soviets will commission about 75 to 85 new modern submarines. Furthermore, we are told that the U. S. S. R. has built more destroyers and cruisers since World War II than all the nations of the rest of the world combined. These are startling facts. It behooves us to take notice and not let our Navy drop behind.

Never has it been more essential to keep our Navy strong. The stronger its striking power the more effective it will be as a deterrent to other less peacefully inclined nations. The Soviets respect power more than anything else. Therefore, to keep our Navy strong is to promote peace and prevent war. As has been well said, "Our Navy is essential in the cold war, vital in limited war, and indispensable in general war." Therefore, let us as a nation have a Navy that can do its full part in maintaining national peace and world peace.

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. I am glad the gentleman from Oklahoma brought up the subject of dispersal of aircraft carriers. In December, I was startled to receive from a constituent Mr. Verle Allbee, of Waterloo, Iowa, a clipping from the picture page of the Chicago Tribune under date of December 21, 1955, showing the carriers *Hornet, Princeton, Shangri-La, Lexington, Philippine Sea,* and the *Wasp*—all berthed within an area of about 2 miles in the harbor of San Diego, Calif., and the Naval Air Station. I wrote to the Secretary of Defense, Mr. Wilson, on January 3, the following letter:

JANUARY 3, 1956.

Hon. CHARLES E. WILSON,
Secretary of Defense,
Washington, D. C.

DEAR MR. WILSON: A constituent has called my attention to the December 21, 1955, issue of the Chicago Tribune wherein is reproduced an Associated Press aerial photo showing six of our finest aircraft carriers berthed in one small area near San Diego, Calif.

The descriptive material accompanying the picture says this:

"Six carriers of the Pacific fleet tied up at the naval air station at San Diego so that as many as possible of their 15,000 crewmen may have holiday leave in United States."

I am sure the citizens of this country completely approve the policy of giving the greatest possible number of military personnel holiday leave, but it is astounding to the point of unbelief that the bulk of the carrier fleet in the Pacific together with its planes, should be concentrated in one nest and subject to destruction by a single atomic weapon in the hands of the enemy.

Has the Defense Department forgotten the tragic lesson of Pearl Harbor?

With hundreds of miles of Pacific coast line, and a number of excellent port cities, why were these carriers and their planes not dispersed?

I await your explanation.

Sincerely yours,

H. R. GROSS.

I did not have a reply from the Secretary of Defense—unlike the Secretary of Agriculture, he apparently does not answer too much of his own mail—but I did have the courtesy of a reply from a colonel in the Air Force. How he got into the picture, I do not know. But he said he was referring my letter to the Navy Department. Eventually, on January 23, I had an answer from Rear Adm. E. B. Taylor, chief of information for the Department of the Navy.

I will not read the entire letter; simply a few quotations from it. He says:

The presence of six carriers in San Diego Harbor, while not an everyday occurrence, is not considered unusual.

Further he says:

Please be assured that these deployments received most careful study and review prior to being implemented.

I should like to say to the chairman of the Armed Services Committee that his committee ought to ask the Navy Department why we must have six carriers, representing the backbone of the Pacific Carrier Fleet, the backbone of the Pacific Fleet I might say, if the air arm of the fleet means what you say it does, why were they all put in one nest in close proximity to a Soviet airbase, during the last holiday season. Surely we all want to see navy personnel given all possible holiday leave, but there are plenty of ports up and down the Pacific coast where those carriers could have been dispersed. This was not a "calculated risk." It was an open invitation to an enemy to destroy the backbone of our entire Pacific Fleet.

Mr. VINSON. Will the gentleman yield?

Mr. GROSS. I gladly yield to the chairman of the Armed Services Committee.

Mr. VINSON. I congratulate the gentleman in calling this to the attention of the committee and I heartily agree with every word he said. I can see no reason why airplane carriers could not have been berthed at Bremerton or Hunters Point or San Pedro, rather than concentrating all at the port of San Diego. I think your point is well taken and the Department should not, under any circumstances, berth these big ships, particularly these aircraft carriers, all in one port at any one time.

Mr. GROSS. I want to support the chairman and his committee in giving the Navy all the warships that are necessary to have the finest and most efficient fighting force, but I do not want to see these warships destroyed as they were at Pearl Harbor under a single and tragic bombing attack.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SHORT. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PELLY. I, too, want to commend the gentleman for raising this point. During the last session of this Congress I wrote the Secretary, urging that the Navy base some of their combat ships up on Puget Sound. I received an answer that during this particular period so many of our ships are in the Far East that it was not practicable, but I think the gentleman has pointed out a very important and dangerous situation, and I certainly agree with him that we should disperse our vessels.

Mr. GROSS. I thank the gentleman.

Mr. SHORT. Mr. Chairman, I have no further requests for time.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, the construction program planned by the Navy for fiscal year 1957 includes six nuclear-powered submarines. The Navy has reached the stage in its development of nuclear power for submarines, that it has, for the first time since the end of the last war, not asked for conventionally powered submarines, as replacements for existing craft which are rapidly becoming obsolescent.

The Navy now has under construction or complete, eight other submarines including the *Nautilus* which continues its highly successful career. Soon to join the operating forces is the United States ship *Sealion*, designed around an advanced type of reactor. Most of the later nuclear-powered submarines being built will incorporate the hull-design features recently tested and proven in the United States ship *Albacore*, which is reputedly the fastest submarine in the world.

The development of the nuclear-powered submarine, along with advances in hull design and experimental use of submarines for the launching of guided missiles, has served as a veritable rebirth of the submarine. In essence it is a new weapon of far-reaching potentialities, one which may well decide the outcome of any future war.

Let us consider some of the potentialities of the atomic-powered submarines.

DEFENSIVE POTENTIALITIES

The two fundamental problems in combating the submarine are detection and destruction.

First, let us consider detection. A nuclear-powered submarine can maintain speeds in excess of 20 knots for weeks at a time—long enough to cruise around the world, if necessary. The dampened whine of steam turbines is the only sound emanating from her hull.

There is no need to raise anything above the surface which might give away her position by alerting radar-equipped surface ships or aircraft.

Destruction, the other fundamental problem, is equally frustrating. Contact with a completely submerged submarine cannot be maintained by radar. To destroy a submerged submarine surface ships must maintain contact with their sonar gear. The sustained speed of the atomic submarine is above that at which surface ships can maneuver and effectively retain sonar contact.

OFFENSIVE POTENTIALITIES

Modern underwater sonar gear and advanced weapons permit a submarine to attack a surface ship successfully without ever seeing it through the periscope. With the speed advantage provided by nuclear power, the submarine need no longer sit and wait for targets to come by. Active scouting is now possible. Coverage of large areas with improved detection devices and the high sustained speeds available, will make it extremely difficult, if not impossible for any surface vessel to escape destruction.

The submarine possesses many inherent advantages as an antisubmarine craft. Addition of nuclear power and other modern innovations serves to greatly enhance this ability. Of course, many of these advantages disappear when opposing submarines which are also nuclear powered. However, our continued advances in this field should serve to retain our superiority in this regard for years to come.

The advent of nuclear power and guided missiles opens wide the door for many other missions to be performed by submarines (in this regard it should be pointed out that a single submarine will be able to perform many of these missions, some specialization of types will be necessary, however). These missions include: Launching of guided missiles, control and direction of guided missiles, minelaying, cargo carrying, serving as a tanker, tending aircraft, even possibly serving as an aircraft carrier. The future appears unlimited.

We must continue to see that the Navy receives the encouragement and the money necessary to develop the nuclear submarine as rapidly as possible.

Mr. SHORT. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, I rise in support of this legislation.

I feel that the Navy has a very reasonable approach to the new construction and conversion program that has been set before us and I want to take this opportunity to congratulate the Navy on a new approach toward amphibious shipping. This is the first time in recent years that any serious consideration has been given to this very important branch of naval warfare.

I would like to say a few words about the conversion program set forth in H. R. 7993. As you all know most of the vessels which the Navy now has were built during World War II. This means that each class of vessel built during this period would ordinarily tend to become obsolete at about the same time. Of course, many of the ships built in World War II are now in the mothball fleets. The hulls and machinery of these vessels, in general, are in good state of preservation as a result of the Navy's farsighted mothball techniques. We can keep hulls and machinery from deteriorating to a great extent, but the ships continue to grow less useful because weapons and equipment, as well as the basic design features become outdated. The ships cannot economically or militarily compete with more modern designs.

To avoid having all of these ships become obsolescent at the same time, the Navy has converted, on a selective basis, many of the ships capable of economical modernization. For example, a certain number of submarines have been converted to the guppy type. These ships are not in every respect as modern, comfortable, or combat worthy as the new fleet types built from the keel up in recent years, and certainly they would be unable to compete with any nuclear submarine; but they can continue to serve economically and perform functions similar to the conventionally powered submarines recently or currently being completed. The other unconverted submarines left over from World War II can still be utilized for limited purposes, but in most respects are now obsolete. Development of nuclear power for submarines has made it infeasible, from the point of military value to convert any additional World War II hulls for use as attack submarines.

To a large degree our many mothballed destroyers and other small types are becoming obsolete. We have about reached the point where the extent of conversion necessary, new equipment to be procured, and prospective additional life, makes it economically unjustifiable to convert them, as compared to building new ones.

However, the Navy is continuing its program of conversion for certain other valuable ships. The remaining unconverted large aircraft carrier of the three *Midway* class, carriers, the *Coral Sea*, will be converted under the 1957 program to receive the angled deck and other improvements. Three *Essex* class carriers will receive what is regarded as the ultimate conversion for that class. The remaining unconverted *Essex* class carriers will be reclassified for support missions, since they are no longer capable of operating the advanced aircraft coming into service.

Five light cruisers are being converted to receive guided-missile installations. This improvement will add, substantial antiaircraft defense capabilities to the fleet, quickly and at relatively low cost.

A submarine will be converted under the program for use in the submarine guided-missile program. This addition will be needed to handle improved missiles being developed for submarine use.

The amphibious warfare capabilities of the Navy and Marine Corps will be enhanced by the conversion of an escort carrier of World War II vintage for service as an amphibious assault ship. This vessel will provide complete facilities for the loading of a large number of marines by helicopter.

In addition, a large vessel of the *Mariner* class is being converted to an attack transport. This will improve our amphibious warfare capabilities by providing a fast transport with large cargo and troop-carrying capacity.

Our early warning radar network will be enhanced by the conversion of 4 Liberty ships to ocean radar station ships and by the conversion of 6 escort vessels

to equip them to perform radar picket duties.

And finally, the Navy is converting a seaplane tender to permit its use for tending the modern jet seaplanes, such as the *Sea Master*, which are coming into service.

Keeping the fleet modern, will continue to require conversion and modernization of some of our large inventory of World War II ships. The Navy is striking a proper balance between new construction and construction and conversion. It is a balance which will give us the greatest naval power in the long run with the least expenditure of funds. Furthermore through the widespread distribution of shipbuilding work between private and Government yards, it permits us to preserve the large mobilization base of facilities and skills which we will need in case of war.

Mr. SHORT. Mr. Chairman, I have no further requests for time.

Mr. VINSON. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the President is authorized to undertake the construction of, or to acquire and convert, the following modern naval vessels:

One aircraft carrier of about 60,000 tons.

One nuclear-powered guided missile light cruiser of about 9,000 tons.

Four guided missile frigates, each of about 4,000 tons.

Eight guided missile destroyers, each of about 3,000 tons.

Six nuclear-powered submarines, each of about 3,000 tons.

Two escort vessels, each of about 1,400 tons.

One ammunition ship of about 8,000 tons.

Landing and service craft not to exceed 5,000 tons.

With the following committee amendment:

Page 1, line 8, strike out "nine" and insert "eleven."

The committee amendment was agreed to.

Mr. CRUMPACKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRUMPACKER: On page 1, line 6, strike out all of line 6.

Mr. CRUMPACKER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN. The gentleman from Indiana is recognized for 10 minutes.

Mr. CRUMPACKER. Mr. Chairman, when I was in college I had a professor who used to delight in sitting back impressively at his desk and announcing in stentorian tones: "America, steadfastly gazing into the past, is backing into the future."

It seems to me that the leadership of the Navy has demonstrated a capacity and a talent for this type of viewpoint in many many instances. At the present time they are suffering very much from a mental block that compels them to look at future wars only in terms of past wars, and specifically in terms of World War II. Just as prior to World War II and in the early phases of that war they were devoted wholeheartedly to the battleship as the ultimate weapon in sea warfare today they can think only of the aircraft carrier. The aircraft carrier was the primary naval weapon of World War II, but since that time it has been suffering continually from a technological lag, a technological obsolescence which is not being reduced by the construction of supercarriers but instead is continually growing more pronounced.

During World War II when planes were all propeller-driven, piston-engined craft, it was possible to launch planes from a carrier deck at several times the rate now possible when jet craft must all be launched by catapults. It is true that the *Forrestal* class carriers have four catapults which would perhaps double the rate at which planes could be launched, or possibly even more than double it; but even after that has taken place the rate of launching is infinitely slower than it was in World War II. The planes themselves which are operating from aircraft carrier decks are not of the latest, fastest, most effective combat types but lag considerably behind the performance and efficiency of the latest land-based aircraft.

During the Korean war the most effective fighter that the Navy had in operational use on aircraft carriers was the straight-wing F-9-F jet. These planes were in no sense comparable to the jets with which the air war over Korea was fought, the MIG-15 of the Russians and the F-86 Saberjet on the American side.

Today, almost 5 years after the start of the Korean war and almost 3 years after the end of it, the very best and latest type of operational carrier-based fighter is a warmed-over version of the old F-86 Saberjet, the North American FJ-3 Fury. Today the Air Force and the Russians have moved beyond the subsonic into the transsonic and the supersonic fighters, the latter of which will soon be in operational use. The Navy has some more modern prototypes. They always have some prototypes. But they have had a gerat deal of difficulty getting production planes which could operate from carriers that were anywhere comparable to the current land-based types. This is not a situation that is on its way to be remedied, and it is growing worse.

Mention has been made of the difficulties of carrying jet fuel on board these carriers. It is true that the jet planes use a great deal more fuel than the older types do. In fact, the land-based aircraft have used such great quantities that in most instances we have had to go to the use of pipelines to transport sufficient quantities of fuels to the airfields to supply the needs because the old types of surface transport were not able to keep up with it. While the increase of 10,000 tons in the size of a carrier undoubtedly makes more fuel capacity available, the increase is nowhere near on the order of the increase in fuel that is consumed by these jet craft.

If this proposition was for a nuclear-powered carrier, it might have some merit to it, because if it were that would make available for jet fuel storage the space and capacity on the ships now occupied by the fuel used for propulsion purposes. But it is not. It is 1 more conventional powered carrier to add to the 5 that have already been authorized.

Mr. Chairman, I commend the committee for certain language which it used in its report and I wish it had paid more attention to its own words. I should like to quote from page 3 of the report where we find the following language:

The rapid ascendancy of the U. S. S. R. has brought it to the position of a major naval power second now only to the United States. It is the most significant development in Soviet grand strategy since World War II. It is obvious that the U. S. S. R. has one purpose in mind and that is to prevent United States naval forces and shipping from entering the waters surrounding Europe and Asia. Her submarine fleet now numbers over 400, of which a large percentage are new construction, long-range boats. In each of calendar years 1956 and 1957, she will commission about 75 to 85 new modern submarines. Besides this huge underseas fleet, the U. S. S. R. has built more destroyers and cruisers since World War II than all the nations of the rest of the world combined. These surface ships are modern and incorporate the latest technological equipments. They are fully manned in active commission and are continuously undergoing rigorous training operations. These startling facts demonstrate the important position the control of the seas holds in Soviet grand strategy.

If the Navy were seeking solely to meet this threat, which they themselves admit is the most significant development in Soviet military power, I would support them all the way. If they would take the money that they propose to spend for this carrier and put it into additional guided missile ships, additional submarines, and additional antisubmarine devices, I would go with them all the way. But these super aircraft carriers are not designed for defense against submarine fleets. The type of planes now in use whose primary mission it is to seek out and kill submarines are piston engine types that can take off from the decks of any of our carriers even the "jeep" carriers from World War II. These supercarriers are designed not to meet the threat of the Soviet undersea might and the threat of their surface vessels. The threat of attack by missiles launched either from their submarines or from their surface vessels is very serious, but it is largely being ignored in the rush to build more carriers. That is the greatest threat to our naval supremacy. That is the greatest threat to the coastal areas of the continental United States. But the Navy cannot see this danger for their concentration and preoccupation with the super aircraft carriers. They have to have a great big ship, a large capital ship that takes a big crew, rather than to concentrate on the smaller vessels, the more modern weapons, the missiles, and other new developments that are the coming weapons of war.

I cannot see how they can continue to ignore technological developments which obviously point to big changes in warfare of the future and continue to concentrate on the past and the experience of

the past to the degree they are in continuing to push this program. They cannot, as they always assume in every argument they make in favor of the aircraft carrier, operate equivalent airplanes off of carrier decks. If they could, the value of the ship would be a great deal more than it is. But, instead of operating equivalent aircraft, they are continually lagging in their technological development so that the planes they launch from carriers are always several years behind land-based craft in their performance and development and, by the same token, they are equally far behind the planes that they would have to meet operating from Communist land bases. I cannot see any justification for authorizing another carrier of this type at this time. Let us wait a while until we have had some experience with those already authorized; wait a while until the possibility of nuclear propulsion has been further explored; wait a while until the development of guided missiles has reached the point where we know more what their capabilities will be and what defenses, if any, can be developed against them. I do not think an additional carrier of this type is justified at this time.

Mr. Chairman, I ask for a vote on my amendment.

Mr. VINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not trespass on the committee's time but very briefly. At the outset I regret that the distinguished gentleman from Indiana finds himself out of step not only with the President of the United States, who in his budget message made this specific recommendation: That there be included in the proposed shipbuilding program for 1957 the construction of six carriers of the *Forrestal* class. The gentleman from Indiana now proposes to strike that from the bill. He points out that probably other types of ships should take the place of the carrier, perhaps destroyers and other smaller ships. All the experts in the Navy Department find themselves in complete accord with the continuation of a program to build this type of carrier at this time. The gentleman from Indiana feels that some of his objections would be met by the use of nuclear power as the propulsion for our large carriers. I am in full agreement that that is what we should aim toward; and, indeed, this very bill contains an item for a nuclear reactor for the next *Forrestal*-type carrier. It is my sincere hope that the Appropriations Committee when it brings in its bill will permit the construction of this nuclear propulsion element in order that our next *Forrestal*-type carrier will be of the type which will meet the objections of the gentleman and, indeed, conform to the desires of all of us. This, then, we hope will be the last carrier with conventional propulsion.

Mr. Chairman, I certainly hope that the views of the Navy Department, the recommendation of the Chief of Naval Operations, and the other naval experts will prevail so that this program of constructing the *Forrestal*-type carrier will not be cut off until the nuclear type has been fully developed.

Mr. VAN ZANDT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on five different occasions Congress has approved the construction of a carrier; in other words, on each occasion we defeated an amendment similar to the Crumpacker amendment, thus placing our stamp of approval on the Navy's construction program of new and modern aircraft carriers.

To begin with, it might be well to point out that the Joint Chiefs of Staff speak for the armed services of this country, and on their shoulders rests the responsibility of giving to the American people an adequate national defense. The Joint Chiefs of Staff have given to each branch of the service a mission to perform, and Congress has never hesitated to provide each branch of our Armed Forces the necessary tools to carry out its mission. When the Army said they wanted a special kind of tank we gave it to them. We did the same with helicopters for the marines, and planes for the Air Force.

The carrier involved in this bill is a tool needed by the Navy in carrying out the mission assigned to it by the Joint Chiefs of Staff.

Today's and tomorrow's carriers must be completely adequate to handle the best planes America can produce, and we must have them in sufficient numbers to provide the Navy with the airpower it must have to successfully carry out its mission as the naval arm of our national defense.

The type of carrier we are authorizing in this bill is nothing more than a portable airfield that can sail the seas of the world at a speed of nearly 35 miles an hour.

Today it can be at the mouth of the Mississippi River and tomorrow afternoon at this time 500 miles away. This modern aircraft carrier functioning as a portable airfield with supporting facilities for itself as well as all of its aircraft is an indispensable tool in the defense of this Nation.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from California.

Mr. JOHNSON of California. I think I understood the gentleman correctly to say that the vote by the Joint Chiefs of Staff was a unanimous approval; is that correct?

Mr. VAN ZANDT. Exactly.

Mr. JOHNSON of California. And that included a member who represented the Air Force, probably the most experienced airman in the whole United States.

Mr. VAN ZANDT. Exactly.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman.

Mr. DEVEREUX. I am sure from the gentleman's experience that he will agree that the philosophy that is being presented by the gentleman from Indiana [Mr. CRUMPACKER] represents simply a defensive posture, whereas with such aircraft carriers as we have included in our bill which will give us the capability of carrying the war into enemy territory, we are taking an offensive position which in everybody's concept is the proper way to wage a successful war.

Mr. VAN ZANDT. That is correct. The carrier is part of the global strategy that has been laid down by the Joint Chiefs of Staff.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from New York.

Mr. OSTERTAG. Is it not true that the budget that is now before the Congress provides for a stepup of the antisubmarine forces of the Navy?

Mr. VAN ZANDT. That is true. Let me add that our present antisubmarine equipment is obsolete because of the increased speed of submarines. If we are going to develop a new defense against submarine attack we must have faster ships. These new carriers are faster ships and will have capabilities of playing a very important part in antisubmarine warfare.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Mr. Chairman, I want to compliment the gentleman on making a very fine statement. I listened with a great deal of interest to the remarks of our very able friend from Indiana [Mr. CRUMPACKER] who constantly reiterated "Wait a while, wait a while, wait a while." I just want to point out to the gentleman that we are living in a very critical and chaotic world where we might be catapulted suddenly into an emergency and we will then wish that we had this carrier and many more of them. So I feel that the carrier should be built and built as soon as we can build it.

Mr. VAN ZANDT. Mr. Chairman, the gentleman from Pennsylvania is exactly right. You cannot build these carriers overnight. It takes years to construct them. It is for that reason that Congress annually for the past 5 years has placed its stamp of approval on the carrier program. As the gentleman from Pennsylvania pointed out the day could come when we wished we had these carriers. Mr. Chairman, I hope this amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. CRUMPACKER].

The amendment was rejected.

The Clerk read as follows:

SEC. 2. Tonnage required for the construction of 2 escort vessels, a total of 2,800 tons, is hereby authorized. Tonnage adequate to construct the other vessels listed in the first section of this act has been previously authorized by law and these vessels shall be charged against previously authorized and unobligated tonnage.

SEC. 3. The President is further authorized to convert, from existing vessels of the United States, the following naval vessels:

One aircraft carrier of about 54,000 tons.

Two aircraft carriers, each of about 36,000 tons.

One aircraft carrier of about 37,000 tons.

Five guided missile light cruisers, each of about 12,000 tons.

One guided missile submarine of about 1,700 tons.

One amphibious assault ship of about 13,000 tons.

One attack transport of about 10,000 tons.

One seaplane tender of about 10,000 tons.

Six radar picket escort vessels, each of about 1,500 tons.

Four ocean radar station ships, each of about 4,000 tons.

SEC. 4. The President is further authorized to commence design and advance procurement for a nuclear-powered aircraft carrier.

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 for the construction, acquisition, or conversion of the foregoing vessels.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that further reading of the bill may be dispensed with, that it be printed in the RECORD in its entirety, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There is no objection.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, 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. 7993) to authorize the construction and conversion of certain naval vessels, and for other purposes, pursuant to House Resolution 392, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

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

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

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON. Mr. Speaker, on that I ask for a division.

The question was taken; and there were—ayes 57, noes 1.

Mr. VINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 360, nays 3, answered "present" 1, not voting 68, as follows:

[Roll No. 5]

YEAS—360

Abbitt
Abernethy
Adair
Addonizio
Albert
Alexander
Alger
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Andrews
Anfuso
Arends
Ashley
Ashmore
Aspinall
Ayres
Bailey
Baker
Baldwin
Barden
Bass, N. H.
Bass, Tenn.
Bates
Baumhart
Beamer
Becker
Belcher
Bell
Bennett, Fla.
Bennett, Mich.
Bentley
Berry
Betts
Blatnik
Blitch
Boggs
Boland
Bolling
Bolton, Frances P.
Bolton, Oliver P.
Bonner
Bosch
Bow
Bowler
Boykin
Boyle
Bray
Brooks, Tex.
Brown, Ga.
Brown, Ohio
Brownson
Broyhill
Budge
Burdick
Burnside
Byrd
Byrnes, Wis.
Canfield
Cannon
Carlyle
Carnahan
Carrigg
Cederberg
Celler
Chase
Chelf
Chenoweth
Chiperfield
Christopher
Church
Clark
Clevenger
Colmer
Coon
Cooper
Corbett
Coudert
Cramer
Cretella
Cunningham
Curtis, Mass.
Curtis, Mo.
Dague
Davidson
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Dawson, Utah
Deane
Delaney
Dempsey
Denton
Derounian
Devereux
Dies
Diggs
Dingell
Dixon
Dodd
Dolliver
Dondero
Donohue
Donovan
Dorn, N. Y.
Dowdy
Edmondson
Elliott
Ellsworth
Engle
Evins
Fascell
Feighan
Fernandez
Fino
Fisher
Fjare
Flynt
Fogarty
Forand
Ford
Forrester
Frazier
Frelinghuysen
Fulton
Garmatz
Gary
Gathings
Gavin
Gentry
George
Gordon
Grant
Gray
Green, Oreg.
Gregory
Griffiths
Gross
Gubser
Gwinn
Hagen
Hale
Haley
Hand
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Hays, Ark.
Hayworth
Hébert
Henderson
Herlong
Heselton
Hess
Hiestand
Hill
Hillings
Hoeven
Hoffman, Mich.
Holmes
Holt
Holtzman
Horan
Hosmer
Huddleston
Hull
Hyde
Ikard
Jackson
James
Jarman
Jenkins
Jennings
Johansen
Johnson, Calif.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Karsten
Kean
Kearney
Kearns
Keating
Kee
Kelly, N. Y.
Keogh
Kilday
Kilgore
King, Calif.
Kirwan
Klein
Kluczynski
Knox
Laird
Landrum
Lane
Lanham
Latham
LeCompte
Lesinski
Lipscomb
Long
Lovre
McCarthy
McConnell
McCormack
McCulloch
McDonough
McDowell
McGregor
McIntire
McVey
Macdonald
Madden
Magnuson
Mahon
Mailliard
Martin
Mason
Matthews
Meader
Merrow
Metcalf
Miller, Calif.
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Mollohan
Morano
Morgan
Morrison
Moss
Moulder
Multer
Murray, Ill.
Murray, Tenn.
Natcher
Nelson
Nicholson
Norblad
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
Ostertag
Passman
Patman
Pelly
Perkins
Philbin
Pilcher
Pillion
Poage
Poff
Polk
Powell
Preston
Priest
Prouty
Rabaut
Radwan
Rains
Ray
Rees, Kans.
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers
Roberts
Robeson, Va.
Robsion, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rutherford
Sadlak
St. George
Saylor
Schenck
Scherer
Schwengel
Scott
Scudder
Seely-Brown
Selden
Sheehan
Sheppard
Short
Shuford
Sieminski
Sikes
Siler
Simpson, Ill.
Sisk
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Springer
Staggers
Steed
Sullivan
Taber
Talle
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, La.
Thompson, N. J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Trimble
Tuck
Tumulty
Udall
Utt
Vanik
Van Pelt
Van Zandt
Vinson
Wainwright
Westland
Wharton
Whitten
Wickersham
Widnall
Wier
Wigglesworth
Williams, N. J.
Williams, N. Y.
Willis
Wilson, Ind.
Winstead
Withrow
Wolcott
Wolverton
Wright
Yates
Young
Younger
Zelenko

NAYS—3

Crumpacker
Dorn, S. C.
Marshall

ANSWERED "PRESENT"—1

Scrivner

NOT VOTING—68

Auchincloss
Avery
Barrett
Brooks, La.
Buckley
Burleson
Bush
Byrne, Pa.
Chatham
Chudoff
Cole
Cooley
Dollinger
Doyle
Durham
Eberharter
Fallon
Fenton
Flood
Fountain
Friedel
Gamble
Granahan
Green, Pa.
Halleck
Hays, Ohio
Hinshaw
Hoffman, Ill.
Holifield
Hope
Jensen
Judd
Kelley, Pa.
Kilburn
King, Pa.
Knutson
Krueger
Lankford
McMillan
Machrowicz
Mack, Ill.
Mack, Wash.
Mumma
O'Brien, N. Y.
Osmers
Patterson
Pfost
Phillips
Price
Quigley
Reece, Tenn.
Reed, Ill.
Reed, N. Y.
Richards
Rogers, Mass.
Shelley
Simpson, Pa.
Spence
Thompson, Mich.
Velde
Vorys
Vursell
Walter
Watts
Weaver
Williams, Miss.
Wilson, Calif.
Zablocki

So the bill was passed.

The Clerk announced the following pairs:

Mr. Fountain with Mr. Halleck.

Mr. Chatham with Mr. Simpson of Pennsylvania.

Mr. Durham with Mr. Auchincloss.

Mr. Shelley with Mrs. Rogers of Massachusetts.

Mrs. Pfost with Mr. Fenton.

Mr. Lankford with Mr. Osmers.

Mr. Barrett with Mr. Reece of Tennessee.

Mr. Walter with Mr. Hinshaw.

Mr. Eberharter with Mr. Hoffman of Illinois.

Mr. Price with Mr. Kilburn.

Mr. Granahan with Mr. Weaver.

Mr. Mack of Illinois with Mr. Vursell.

Mr. Buckley with Mr. Cole.

Mr. Friedel with Mr. Bush.

Mr. Burleson with Mr. Avery.

Mr. Hays of Ohio with Mr. Hope.

Mr. Fallon with Mr. Judd.

Mr. Dollinger with Mr. Wilson of California.

Mr. Chudoff with Miss Thompson of Michigan.

Mr. Byrne of Pennsylvania with Mr. Reed of New York.

Mr. Green of Pennsylvania with Mr. Mumma.

Mr. Machrowicz with Mr. Gamble.

Mr. Kelley of Pennsylvania with Mr. Jensen.

Mr. Holifield with Mr. Velde.

Mr. Doyle with Mr. Krueger.

Mr. O'Brien of New York with Mr. King of Pennsylvania.

Mr. Watts with Mr. Vorys.

Mr. Williams of Mississippi with Mr. Mack of Washington.

Mr. Quigley with Mr. Patterson.

Mr. Flood with Mr. Phillips.

Mrs. Knutson with Mr. Reed of Illinois.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

UNITED STATES MERCHANT MARINE ACADEMY

The SPEAKER laid before the House the following communication, which was read:

JANUARY 31, 1956.

The SPEAKER,
The House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Pursuant to Public Law 301 of the 78th Congress, I have appointed the following members of the Committee on Merchant Marine and Fisheries

to serve as members of the Board of Visitors to the United States Merchant Marine Academy for the year 1956: Hon. JOHN C. KLUCZYNSKI, Hon. JOHN D. DINGELL, Hon. JOHN J. ALLEN, JR.

As chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

HERBERT C. BONNER,
Chairman.

UNITED STATES COAST GUARD ACADEMY

The SPEAKER laid before the House the following communication, which was read:

JANUARY 31, 1956.

The SPEAKER,
The House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Pursuant to section 194 of title 14 of the United States Code, I have appointed the following members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Coast Guard Academy for the year 1956: Hon. EDWARD J. ROBESON, JR.; Hon. FRANK M. CLARK; Hon. HORACE SEELY-BROWN, JR.

As chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

HERBERT C. BONNER,
Chairman.

THE LATE GOV. PAUL A. PATTERSON

The SPEAKER. The Chair recognizes the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, at 3 o'clock this morning I was awakened by my telephone and received the tragic news that Gov. Paul A. Patterson, of Oregon, died suddenly last evening in the city of Portland. Mr. Speaker, the passing of our governor is not only a tragedy for the State of Oregon but for our country as well. Governor Patterson was well known nationally through his work in the governors conference since he has been governor. He was highly respected by all who knew him. For myself, the passing of Paul Patterson leaves an especially deep void. I have known Paul all of my adult life. We were college classmates at the University of Oregon. His widow, Georgia Benson Patterson, also attended the University of Oregon at that time. They have been our friends through the years.

Mr. Speaker, Paul Patterson was a splendid, distinguished lawyer in the city of Hillsboro, Oreg. He was a member of the State legislature for several years. Prior to becoming governor, he was a member of the Oregon State Senate where he ascended to the position of president of the Senate. In line of succession, when the governor's chair was vacated by the appointment of the then Governor, Douglas McKay, as Secretary of the Interior, Paul Patterson, as president of the Senate, became governor. Subsequently he was elected by the people of Oregon for the regular 4-year term. Paul Patterson served the State as a wonderful governor. He was respected and revered by all who knew him. Mrs. Ellsworth and I have expressed our deepest sympathy to Mrs. Patterson and the family. We deeply mourn their great loss as do all of the people of Oregon.

Mr. Speaker, I yield to the gentleman from Oregon [Mr. COON].

Mr. COON. Mr. Speaker, I wish to join my colleague from Oregon in expressing sympathy to Mrs. Patterson and the rest of the family on the untimely passing of our Governor, Paul Patterson. I was deeply shocked to receive that news at 3 o'clock this morning.

Oregon has lost a great governor. The Patterson family have lost a dearly beloved member of their family. I have lost a real friend.

I served in the Oregon Senate with Paul Patterson when he was president of the senate. I know he was a very capable legislator. He was most honest and sincere in all of his activities and gave untiringly of his efforts for the best interests of Oregon. It is a great shock to our State to see the life of such a well loved man ended so suddenly at the height of his brilliant career.

Mr. ELLSWORTH. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, "Paul Patterson, Governor of the State of Oregon is dead." One sentence, 10 words, but what a tremendous effect they have had on the people of my State and on people everywhere who knew and admired him.

Paul Patterson was one of God's kindly men. His life was dedicated to the principles of decency and humanity. It can truly be said of him that he looked upon public office as an obligation to serve his fellow man. He thought of government in the terms of people and how it would affect their daily lives, and from the depths of his generous soul, he strove mightily to make this world a better place in which to live. Somehow Paul Patterson the man was synonymous with the Far West and the State of Oregon for which he had a deep abiding love. He brought to the problems of that vast stretch of our Nation, leadership and ability that won for him an enduring place among his people. We will long remember this man of great intellectual stature who strode among us with his shock of unruly hair, his friendly smile, his sincere manner and a calm demeanor which inspired great confidence and loyal devotion.

During my many years in Oregon I had many opportunities to observe and to admire his splendid qualities and outstanding ability. The untimely death of Paul Patterson leaves a void in public life that will be difficult to fill. At this time of great sadness my heartfelt sympathies go out to his beloved wife, and my personal friend, Georgia Patterson.

Mr. NORBLAD. Mr. Speaker, I want to join in paying my tribute to Paul Patterson.

It had been my privilege to know Governor Patterson for many years both as a fellow attorney, as a State legislator and later as our chief executive.

He was an outstanding American and the highest type of citizen.

In his home town of Hillsboro he was held in high esteem by his fellow townsmen who had known him so many years.

I have never heard an ill word spoken against him nor any one doubt his complete sincerity, honesty, and decency.

The State of Oregon suffered a great loss when he passed away last night.

ESTABLISHMENT OF IMPORT QUOTAS BY THE UNITED STATES TARIFF COMMISSION

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I have today joined a number of my colleagues on both sides of the aisle and introduced a bill authorizing the establishment of import quotas by the United States Tariff Commission under conditions set forth in the bill.

This import quota bill, previously introduced by the gentleman from Georgia [Mr. LANHAM], appeals to me for several reasons and I am therefore ready and happy to cosponsor it.

Mr. Speaker, American industry and those working in the manufacturing establishments, on the farms, in the fisheries and mines of this country do need protection against products imported from abroad for one very simple and obvious reason. That is the lower wages paid in other countries. There may be other reasons but it must be clear to anyone that with modern machinery operating in other countries, our industries can no longer outproduce their foreign competitors sufficiently to offset the wide wage differential.

This being the case many Members of Congress have sought the necessary protection in recent years by strengthening the escape clause of the Trade Agreements Act, hoping to make of it a proper remedy against injury from imports.

Unfortunately these hopes have been doomed to failure. The fault has not been with the Congress. The congressional intent was spelled out clearly enough. The failure of the escape clause to provide a practical remedy to date may fairly be laid at the doors of the State Department.

The time has now come for Congress to legislate in such a manner that its intent cannot be nullified by an executive department. The present bill would represent just such legislation.

However, the authorization of import quotas by legislation is fully justified on its own merits. All who are familiar with import competition have become aware of certain weaknesses of the tariff in providing protection under individual circumstances. This is particularly true when tariff rates have been bound

against any increase in an international agreement, as many rates have been bound under the General Agreement on Tariffs and Trade, better known as GATT.

Import quotas have three outstanding merits, if the conditions of their use are properly drawn.

One is that, by setting aside a given share of the market to be supplied by imports, the uncertainty and fear that grip domestic producers faced with an unlimited flow of imports, are eliminated. The disruption and depression of the market attributable to the fear of imports can be prevented. The planning of production and expansion of plants or renewal of machinery can be carried out with greater confidence and with full assurance that imports will not skim the cream of the market or push the domestic product to the side. We have seen such things happen in New England as elsewhere.

In New England we have but to take a look at the watch industry, the bicycle industry and the fisheries to be aware of what unimpeded import competition can do. Now the textile industry is similarly exposed.

The second point of superiority lies in the greater flexibility of import quotas compared to the tariff, provided that the conditions controlling the modification and adjustment of quotas are made clear in the legislation covering the subject. The present bill does just that. It would not require an act of Congress to adjust a quota because the law would furnish the guidelines for action by the Tariff Commission. If a surplus should develop in any product protected by a quota the Tariff Commission could cut back imports temporarily to help the domestic industry work off the surplus. This flexibility would be extremely helpful in preventing a recession from backing into a depression.

Third, the import quota can be used to carry out a liberal trade plan. A reasonable share of the market could be left to imports. Expansion of the market would open the way for a larger volume of imports without raising their share of the market. Even the latter, that is, increasing the share of imports in supplying the market, is provided for in the bill where the need can be established and where additional imports would not seriously injure domestic producers.

The quota system, however, would not replace the tariff but would supplement it. Instances could no doubt be found where the tariff could be removed entirely and replaced by a quota but the bill does not now provide such a system of substitution.

An impressive feature of the bill is the incentive it gives to other countries to raise their wage standards if they want to increase their exports to the United States. This is something new and meets the objection to high tariffs. The bill provides that the quota on any product shipped to us from any country will be increased by 10 percent if the wages in the industry shipping the goods to us increase by as much as 5 percent in their relation to our own wages. Such an increase could be repeated as the wage-gap was narrowed. The door is therefore opened to the improvement of wage standards in other countries. This is an important feature of the bill.

There are other features of the bill that recommend it to me, but one of the most cogent is the final power bestowed on the Tariff Commission. The delegated power is carefully confined by the bill, as all delegated power should be, and it would recapture for Congress its constitutional authority to legislate toward the regulation of foreign commerce and to lay and collect duties. This power has so far passed out of the hands of this body that unless Congress reasserts its legislative power in this field it will progressively underwrite its own abdication.

This is a most serious matter. I urge early hearings on the bill so that the legislation may be considered in this session.

PLANTING OF TREES ON SURPLUS CROPLANDS

Mr. OSTERTAG. 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 New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, I am today introducing a bill designed to make a virtue of necessity and convert a liability into an asset. It is a bill to encourage and stimulate the planting of trees on surplus croplands. The bill is geared to complement the administration's soil-bank proposals, by providing incentives in the form of Federal aid and technical assistance to farmers who convert their surplus croplands to woodlots.

Under the terms of this measure, tree seedlings would be made available, free of charge, for planting on farmlands earmarked for the so-called conservation-reserve program, and a strengthened and expanded Federal-State program of guidance and assistance in forest management would be provided to cooperating farmers.

Mr. Speaker, this is no pie-in-the-sky proposal, and it is not submitted as such. It is a program that will get land into the production of a crop which is in short supply today, and which will be in shorter supply in the future, unless we plan and plant now to take care of tomorrow's needs. It is a sound, workable program, based on solid experience rather than wishful thinking, and if it is approved, it can add as many as 5 billion trees to our productive timberlands in the next 5 years.

This program has numerous things to commend it. It will take land out of production on a long-range basis, thus providing a real breathing spell in which to whittle down our price-depressing surpluses.

It will put the land into a soil-building, rather than soil-depleting crop, thus providing a double harvest for future generations. At the same time, if there is a real emergency, land planted to trees can be quickly cleared with today's bulldozers, so that it is not permanently locked up against other uses, if it is really needed.

Such a program as is contemplated in this bill, Mr. Speaker, has been successfully operated in the State of New York for the past 10 years. As one who had a part in launching that program in my home State, during the period when I served as a State legislator, I can say that what is here proposed has been tried, and it works. More than 1.3 million acres of private land are now planted to trees, in New York State, under the so-called Forest Management program, and many a farmer in my State for the first time has a realizable resource in his woodlot.

I therefore trust that this measure will get careful consideration and win the approval of this Congress.

PERSONAL STATEMENT

Mr. DOLLINGER. Mr. Speaker, I was unavoidably detained on official business and away from the Chamber at the time the vote was taken on the naval construction bill. Had I been present, I would have voted in the affirmative.

PRINCIPAL PRODUCERS OF NATURAL GAS

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include certain tables and other statistical information.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, it seems more than probable that this House will have another opportunity to exercise its judgment on the proposal to exempt producers of natural gas from Federal regulation. In fact, it seems quite unlikely that the proposal can become law unless this House acts again.

Therefore, I believe it will be material to any such further consideration of the proposal for us to have readily accessible and before us certain information bearing upon the major issue of exemption.

Before presenting that information, I want to summarize briefly the most significant votes in committees and on this floor as to this proposal.

On June 7, 1955, a tie vote in the House Committee on Interstate and Foreign Commerce killed the bill temporarily.

On June 8, 1955, this vote was reconsidered and the bill was approved by a vote of 16 to 15.

The bill was reported on June 28.

It was not until July 26 that the Rules Committee granted a rule for the consideration of the bill. The vote was 6 to 5. One member of that committee did not vote.

The bill was debated and passed on July 28. A motion to recommit the bill lost by a vote of 203 to 210.

The vote on final passage was 209 to 203. This vote was on July 28. Congress adjourned the following Tuesday, August 2.

During the debate here references were made to the producers who would be benefited by the exemption proposal. It was stated that it had been estimated that 5,000 to 6,000 independent natural gas producers were involved.

I believe that in considering this proposal it is most important that we should have as a basis as firm knowledge as is available as to the size and scope of the operations of those who seek such an exemption by congressional action.

Therefore, I requested the Legislative Reference Service to compile some of the data available to the public as to several points in such sources as Moody's and Standard and Poor's. Unfortunately, it is not complete. I know of no sources through which it could be completed except from the companies involved. I hope that they will provide the full information, as well as any corrections they believe should be made, before this proposal comes before us again.

In any event, I submit the tables as they have been prepared by a competent, impartial and objective source. I believe they will be of assistance to us.

Table I is the list of companies which the following tables will treat in detail. That table is based upon certain data I inserted in the CONGRESSIONAL RECORD, volume 101, part 8, page 10869 as the most accurate I could obtain at that time. The first figure represents that data. The second figure is the latest data available to me.

It will be noted that the total estimated gas reserves in column 1 is 134,300,000,000,000 cubic feet; while the total in column 2 is 149,100,000,000,000 cubic feet.

According to the 1555 issue of Gas Facts, a statistical publication of the American Gas Association, the total proven recoverable reserves of natural gas in this country at the end of 1954 was 211,710,732,000 cubic feet—table 5, page 13.

TABLE I.—*Estimated gas reserves of principal producers*

[Trillions of cubic feet]

	Former	Latest
1. Humble Oil & Refining	18.0	16.0
2. Phillips Petroleum	17.9	17.9
3. The Texas Co	10.5	11.1
4. Standard Oil of Indiana	9.9	11.4
5. Socony Mobil Oil	7.5	7.8
6. Shell Oil	7.0	7.0
7. Cities Service	6.3	6.3
8. El Paso Natural Gas	4.5	4.5
9. Standard Oil of California	4.0	4.5
10. Gulf Oil	4.0	4.0
11. Continental Oil	3.8	2.2
12. Sun Oil	3.8	3.9
13. Pure Oil	3.7	3.7
14. Panhandle Eastern Pipe Line	3.5	11.5
15. Colorado Interstate Gas	3.3	5.6
16. Chicago Corp	2.5	1.5
17. Skelly Oil	2.4	2.3
18. Atlantic Refining	2.2	2.2
19. Ohio Oil	2.1	2.0
20. Republic Natural Gas	2.1	2.1
21. Cities Service Gas	2.0	2.0
22. Tidewater Associated Oil	1.8	2.2
23. Sinclair Oil	1.7	1.7
24. Union Oil of California	1.6	2.4
25. Superior Oil	1.5	1.5
26. Sunray Midcontinent Oil	1.5	1.9
27. Natural Gas Pipeline	1.5	4.2
28. Southern Production	1.3	1.2
29. Pan American Petroleum	1.3	1.3
30. Arkansas-Louisiana Gas	1.1	3.2

Table II contains brief notes about each of these companies to identify their legal status, including nature of incorporation:

TABLE II

NOTES ON MAJOR HOLDERS OF NATURAL GAS RESERVES

1. Humble Oil & Refining Co.: The majority of stock is owned by the Standard Oil Co. (New Jersey), amounting on December 31, 1954 to 87 percent of the voting stock. This is a Texas corporation.

2. Phillips Petroleum Co.: This is both a holding and an operating company, incorporated in Delaware on June 13, 1917.

3. The Texas Co.: This is both a holding and an operating company, incorporated in Delaware on August 26, 1926.

4. Standard Oil Company of Indiana: This is both a holding and an operating company, incorporated in Indiana on June 18, 1889.

5. Socony Mobil Oil Co.: This is both a holding and an operating company. It was incorporated in New York on August 10, 1882 as the Standard Oil Company of New York. In 1931, it changed its name to Socony-Vacuum Corp., and in May 1955, it became the Socony Mobil Oil Co., Inc.

6. The Shell Oil Co.: This is both a holding and an operating company. Some 65.44 percent of its stock is owned by the Shell Caribbean Petroleum Co. which in turn is a subsidiary of the Royal Dutch Petroleum Co. The American company was incorporated in Delaware on February 8, 1922.

7. Cities Service Co.: This is a holding company incorporated in Delaware. Because of the requirements of the Public Utility Holding Company Act of 1935, all its public utility subsidiaries have been disposed of except the Dominion Natural Gas Co., Ltd., of Canada, and there is pending an application for exemption of this subsidiary from the provisions of the 1935 act. In 1954, Cities Service sold 40 percent of its output to transportation companies at field delivery points, 34 percent to distribution companies at town border delivery points, 21 percent direct to industrial companies, and the remainder to other customers.

8. El Paso Natural Gas Co.: This is both a holding and an operating company. It was incorporated in Delaware on November 28, 1928. It owns and operates a pipeline system for the transportation and sale at wholesale of natural gas supplying customers in Texas, New Mexico, and Arizona, with further delivery to companies distributing in California and Nevada.

9. Standard Oil Company of California: This is primarily an operating company although it is also a holding company. It was incorporated in Delaware on January 27, 1926.

10. Gulf Oil Co.: This is both a holding and an operating company. It was incorporated in Pennsylvania on August 9, 1922. Its supplies of natural gas are used or processed for the extraction of natural gasoline or other such products, and gas is sold to other companies for the production of lampblack. Other sales are made in the area of production. The rest is used to repressure oilfields.

11. Continental Oil Co.: This is both a holding and an operating company. It was incorporated in Delaware on October 8, 1920. It does not present operating statistics in the standard reference books.

12. Sun Oil Co.: This is both a holding and an operating company. It was incorporated in New Jersey on May 2, 1901.

13. Pure Oil Co.: This is primarily an operating company but is also a holding company. It was incorporated in Ohio on April 9, 1914.

14. Panhandle Eastern Pipe Line Co.: This is both a holding company and an operating company. It was incorporated in Delaware on December 23, 1929. It is affiliated with the Missouri-Kansas Pipe Line Co., which owned on December 31, 1954 some 447,943 shares of the 4 million total.

This company is engaged in the production, purchase, transmission, and sale of natural gas. Most of the sales are to gas distributing companies for resale. It produces about 23 percent of its requirements, and has to purchase the rest.

15. Colorado Interstate Gas Co.: This is both a holding and an operating company. It was incorporated in Delaware on June 8, 1927.

16. Chicago Corp.: This is both a holding and an operating company. It was incorporated in Delaware on September 11, 1929.

17. Skelly Oil Co.: This is an operating company. It was incorporated in Delaware on August 20, 1919. On December 31, 1954, 59.38 percent of the company's common stock was owned by the Mission Corp., which in turn is a subsidiary of the Pacific Western Oil Corp. Pacific Western owned 46.98 percent of the voting stock of Mission. Mr. J. Paul Getty individually and as trustee owned 81.94 percent of the voting control of Pacific Western.

18. Atlantic Refining Co.: This is both a holding and an operating company. It was incorporated in Pennsylvania on April 29, 1870.

19. The Ohio Oil Co.: This is primarily an operating company, but is also a holding company. It was incorporated in Ohio on July 30, 1887. This company owns 8.9 percent of the capital stock of the Mountain Fuel Supply Co. which owns and controls large gas reserves in Colorado and Wyoming, and complete transportation and distribution systems to market gas in Salt Lake City, Provo, and other towns of that area.

20. Republic Natural Gas Co.: This is an operating company. It was incorporated in Delaware in November 1934. It sells its natural gas principally to the Cities Service Gas Co. and the Northern Natural Gas Co. Minimum gas prices fixed by regulations in Oklahoma and in Kansas in turn affect the prices charged the two customer companies named above.

21. Cities Service Gas Co.: This is an operating company which is owned 100 percent by the Cities Service Co. It is incorporated in Delaware. Producing in Texas, Oklahoma, and Kansas, it transmits and sells to gas distribution companies and industrial customers in Texas, Missouri, Oklahoma, and Kansas. Statistics of its operations are covered in this report on Cities Service Co. (No. 7).

22. Tidewater Associated Oil Co.: This is primarily an operating company although it is also a holding company. It was incorporated in Delaware on March 5, 1926. On December 31, 1954, 47.37 percent of the voting control was owned by the Mission Development Co., and 14.27 percent of voting control by the Pacific Western Oil Corp. Mr. J. Paul Getty, as owner and trustee, controlled the Pacific Western Oil Corp.

23. Sinclair Oil Corp.: This is exclusively a holding company. It was incorporated in New York on September 23, 1919. Its subsidiary is the Sinclair Oil & Gas Co., which is incorporated in Maine.

24. Union Oil Company of California: This is primarily an operating company, but is also a holding company. It was incorporated in California on October 17, 1890. It has gas reserves of 2.4 trillion cubic feet.

24. (Alternate) Union Oil & Gas Corporation of Louisiana: This is a company incorporated in Delaware. It has gas reserves of 1.5 trillion cubic feet.

25. The Superior Oil Co.: This is primarily an operating company, but is also a holding company. It was incorporated in California on October 31, 1936. It has a wholly owned subsidiary engaged in exploratory work in

Venezuela and a 51.7-percent interest in Canadian Superior Oil of California, Ltd.

26. Sunray Midcontinent Oil Co.: This is both a holding company and an operating company. It was incorporated in Delaware on February 15, 1929. The Sunray Oil Corp. merged on May 16, 1955, with the Mid Continent Petroleum Corp.

27. Natural Gas Pipeline Company of America: This is both a holding and an operating company. It was incorporated in Delaware on April 25, 1930. All of its stock is owned by the Peoples Gas Light & Coke Co. It is associated with the Texas Illinois Natural Gas Pipeline Co. It produces 30 percent of its gas supply, purchasing the rest of its supply from other gas producers in the Panhandle area. The gas it purchases or produces is processed, transported, and sold at wholesale to the Peoples Gas Light & Coke Co., the Northern Illinois Gas Co., and the Northern Indiana Public Service Co. for distribution in the Chicago metropolitan area, and to about 14 other utilities for resale in 110 communities in Kansas, Nebraska, Illinois, and Wisconsin.

28. Southern Production Co., Inc.: This is primarily a production company. It was incorporated in Delaware on August 8, 1942. This company produces oil, natural gas, and gas distillates. In 1954 gas sales produced 24 percent of gross revenues.

29. Pan American Petroleum & Transport Co.: This company was formerly a Delaware corporation, a subsidiary of the Standard Oil of Indiana, which held a 78.7-percent interest. However, on August 17, 1954, it was merged with Standard Oil of Indiana, so no separate statistics are available now.

30. Arkansas-Louisiana Gas Co.: This is an operating company. It was incorporated in Delaware on March 9, 1928. As of December 31, 1954, 52.7 percent of the common stock was owned by the W. R. Stephens Investment Co.

Table III presents summary information on the acreage of oil and gas lands owned as of December 31, 1954, by these same companies, insofar as information is available. The figures refer to domestic holdings only, unless noted otherwise. Where possible, there is division of information between developed and undeveloped reserves, and the States in which these reserves are located also are shown.

TABLE III

ACREAGE OF GAS AND OIL LANDS HELD BY CERTAIN MAJOR PRODUCERS (AS OF DECEMBER 31, 1954)

Humble Oil and Refining:

Developed: 2,647,827—Texas, Louisiana, New Mexico, Mississippi, Florida, Alabama, California.

Undeveloped: 13,555,000—Same plus Georgia, Arizona, Arkansas, Oregon.

Phillips Petroleum:

Developed (gross): 1,206,745—Arkansas, Colorado, Illinois, Kansas, Kentucky, Louisiana, Mississippi, Montana, Nebraska, New Mexico, Oklahoma, Texas, Utah, Wyoming.

Undeveloped (gross): 8,929,868. Same plus Alabama, Arizona, Idaho, Indiana, Oregon, South Dakota, Alaska.

Also has 755,464 gross acres in Venezuela, and Canada, and exploratory rights in Canada on 1,876,817 gross acres, and leases and operating rights on 1,065,894 gross acres in Canada.

Texas Co.:

Total domestic: 10,969,571.

Total foreign: 7,892,933.

Standard Oil of Indiana:

Producing (net): 1,361,000. Principal: Kansas, Oklahoma, Texas, New Mexico, Wyoming, Louisiana, Colorado.

Undeveloped: 13,820,000. other: Montana, Arkansas, Nebraska, Utah, Mississippi, Georgia, Alabama, Florida, Kentucky, Illinois, Idaho, North Dakota, and Alberta.

Socony Mobil Oil Co.:

Proven: 307,652—Texas, California, Oklahoma, Louisiana, New Mexico, Kansas, Wyoming, Illinois, Mississippi, Nebraska, Arkansas, Kentucky, Michigan, Indiana, Alabama, Montana.

Undeveloped: 13,190,576. Above States plus West Virginia, Florida, Tennessee, Colorado, Utah, Missouri, Ohio, Arizona, Nevada, North Dakota, South Dakota.

Other holdings: A subsidiary has 22.66 percent interest in a nonprofit corporation which takes over certain producing properties. Royalty interests in 8,000 producing acres and in 46,766 nonproducing acres. Foreign interests located in: India, Pakistan, British Somaliland, Sumatra, New Guinea, Australia, Saskatchewan, Venezuela, Columbia, Egypt, Alberta, Germany, Austria, Iraq.

Cities Service Co.:

Developed and prospective: 7,585,000. Principal: Texas, Kansas, Oklahoma, Louisiana, New Mexico; other: Arkansas, Illinois, Michigan, Mississippi, Pennsylvania, Ohio, Kentucky.

One million one hundred and sixty-three thousand acres of leaseholds and reservations in Canada.

Two hundred and thirty thousand acres of royalties and mineral rights in fee in United States.

Foreign activities located in Saudi Arabia, Egypt, Canada, and Peru.

Shell Oil Co.:

Producing: 388,461—Texas, Louisiana, Oklahoma, California, Kansas, Colorado, New Mexico, Illinois, Montana, Canada, South Dakota, Wyoming, Nebraska, and others.

Nonproducing: 21,712,990. Above States, plus North Dakota and Alaska.

El Paso Natural Gas Co.:

Held gas rights (gross): 1,931,852.

Held gas rights (net): 1,500,742—New Mexico, Texas, Colorado, Utah, Arizona, Louisiana, Nevada, Wyoming, and Oregon.

Standard Oil of California:

Total United States (net): 7,034,076. Principal: Louisiana, Mississippi, Colorado, Wyoming.

Total Canada (net): 10,187,256.

Total (gross): 34,295,435.

Gulf Oil Co.:

Producing (net): 945,192—Texas, Louisiana, Mississippi, New Mexico, Oklahoma, Kansas, Illinois, Wyoming, California, Michigan, Kentucky, Arkansas and others.

Nonproducing: 13,976,314. Above plus offshore Texas and Louisiana.

Continental Oil Co.:

Producing (net): 348,128. Principal: Texas, Louisiana (offshore), Wyoming, Kansas, New Mexico, Oklahoma. Other: Colorado, Indiana, Montana, California, Illinois, Utah, Mississippi, Washington, Nebraska, Arkansas.

Nonproducing (net): 8,655,311. Above States, plus Florida, Nevada, North Dakota.

Sun Oil Co.: Producing and nonproducing: 12,100,000—Oklahoma, Kansas, Texas, Louisiana, New Mexico, Michigan, Illinois, Mississippi, Indiana, Kentucky, Alabama, Montana, Utah, Wyoming, Colorado.

Pure Oil Co.:

Developed (net): 259,000. Principal: West Virginia, Texas, Louisiana, Oklahoma, Wyoming, Mississippi, Colorado, Illinois, Michigan, and offshore Louisiana. Other: also, Indiana, Kentucky, Kansas, New Mexico.

Undeveloped (net): 3,349,000.

Panhandle Eastern:

Proven: 880,747. Principal: Texas, Kansas, Oklahoma.

Total: 1,522,179.

Colorado Interstate:

Proven: 244,046—Texas, Oklahoma.

Total: 306,219.

Chicago Corp.:

Producing (net): 167,660—Arkansas, Colorado, Kansas Louisiana, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas.

Nonproducing (net): 1,340,000.

Skelly Oil Co.:

Producing (net): 424,408—Arkansas, Colorado, Illinois, Kansas, Louisiana, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, Texas, Utah, Wyoming.

Undeveloped (net): 3,560,842. Above States, plus others.

Atlantic Refining Co.:

Total domestic: 3,851,000—Alabama, Arkansas, Colorado, Kansas, Louisiana, New Mexico, Mississippi, Montana, North Dakota, South Dakota, Oklahoma, Texas, Wyoming, Canada.

Total foreign: 1,017,000.

The Ohio Oil Co.:

Total: 3,358,517—Ohio, Indiana, Illinois, Kentucky, New Mexico, Arkansas, Louisiana, Kansas, Oklahoma, California, Texas, Montana, Wyoming, Colorado, Michigan, West Virginia, Nebraska, Mississippi.

Republic Natural Gas Co.:

Total: 900,000—Texas, Oklahoma, Kansas, Colorado, Nebraska.

Canada: 300,000—Saskatchewan.

Tide Water Associated Oil Co.:

Producing: 200,368—Pennsylvania, Illinois, Indiana, Kansas, Arkansas, Oklahoma, Texas, Louisiana, Mississippi, New Mexico, Colorado, California, Wyoming, West Virginia, and Canada.

Undeveloped: 2,115,895—California, New Mexico, Texas, Oklahoma, Arkansas, Louisiana, Kansas, Illinois, Indiana, Mississippi, North Dakota, South Dakota, Alabama, Florida, Montana, Utah, Colorado, New York, Pennsylvania, West Virginia, Wyoming, Ohio, Nevada, and Canada.

Sinclair Oil Corp.:

Producing (net): 373,630—Texas, Louisiana, Oklahoma, Kansas, New Mexico, Wyoming, Mississippi, Kentucky, Montana, Indiana, Colorado, and Illinois.

Undeveloped: 10,113,354. Forty-four percent in Texas, 9 percent in Oklahoma, remainder in other States.

Union Oil of California:

Proved (net): 59,000. Principal: California, Louisiana, Texas, Montana, Wyoming, New Mexico, Oklahoma.

Unproved (net): 2,980,000.

Superior Oil Co.: Not stated. Principal: California, Texas, Louisiana, Oklahoma, Illinois. Other: Indiana, Arkansas, New Mexico, Colorado, Kansas, Kentucky, Michigan, Mississippi, Nebraska, Wyoming.

Sunray Mid-Continent:

Sunray properties producing (net): 206,844—Arkansas, California, Colorado, Illinois, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, Pennsylvania, Texas.

Sunray properties nonproducing (net): 2,885,064.

Mid-Continent properties producing (net): 82,319—Arkansas, Kansas, Louisiana, Nebraska, New Mexico, Oklahoma, Texas, Utah.

Mid-Continent properties nonproducing (net): 1,522,583.

Natural Gas Pipeline: Total: 130,000—Texas.

Southern Production Co.:

Producing (net): 69,189. Principal: Texas, Louisiana.

Nonproducing (net): 634,927. Other: Colorado, Louisiana, Mississippi, Oklahoma.

Arkansas Louisiana Gas:

Producing: 42,035. Principal: Arkansas, Texas, Louisiana.

Unproven: 127,821.

Table IV presents summary operating data on as many of these same companies as is available. Not all data are strictly comparable, but at least an idea of relative size of operations may be obtained, and the trends within particular companies measured in most cases.

TABLE IV.—*Operating statistics of certain major producers of natural gas*

[All gas volume data in millions of cubic feet unless marked otherwise]

	1955	1954	1953	1952	1951	1950	1949	1948
Humble Oil & Refining: Gas sales		335,100	316,653	241,877	214,766	169,441	136,559	126,947
Phillips Petroleum Co.:								
Gas sales per day		1,710	1,554	1,551	1,587	1,382	1,146	1,069
Average price per thousand cubic feet (cents)		8.29	8.09	6.56	5.86	5.15	4.87	4.43
Net gas produced		(1)	(1)	375,000	365,000	362,000	282,000	276,000
Gas purchased		(1)	(1)	384,000	392,000	280,000	276,000	268,000
The Texas Co.: Gas sales		244,020	209,028	181,405	162,943	138,620	140,055	118,256
Standard Oil of Indiana:								
Net gas daily production		990	919	774	669	528	446	380
Gas sales per day		1,078	1,007	863	725	570	445	339
Gas sales		393,400	367,500	315,800	264,700	208,092	162,561	123,750
Consolidated sales and operating revenue (dollars per thousand)		36,668	29,182	21,798	17,261	12,468	8,978	5,862
Socony Mobile Oil Co.: Gas production		290,188	289,582	263,657	253,000	209,000	157,539	113,165
Shell Oil Co.:								
Gas production		340,040	316,362	266,515	229,391	156,116	142,981	128,119
Gas sales		285,928	222,822	176,613	146,160	121,678	90,431	73,693
Cities Service Co.:								
Gas production		[2] 236,597	262,086	252,135	242,110	210,826	189,227	171,368
Gas sales		[2] 456,149	619,417	591,111	559,132	501,041	429,480	371,835
Number of customers		(1)	750,155	745,158	705,543	668,879	633,088	599,097
Miles of pipelines and mains		[2] 7,783	18,893	19,076	18,353	17,716	16,818	16,360
El Paso Natural Gas:								
Gas production and from storage		[3] 75,965	58,112	57,404	17,009	580	446	2,628
Gas received in exchange		49,966	435					
Gas purchased		[4] 731,114	589,442	487,460	412,834	295,586	208,490	141,556
Gas sales and delivery		645,356	515,909	437,512	379,416	264,219	185,117	130,014
Gas used in system		53,760	50,419	40,450	30,455	21,103	16,508	12,321
Gas stored		55,957	8,909	5,570	1,115	8,066	6,021	998
Gas unaccounted		8,286	7,606	3,927	1,848	2,197	853	1,776
Gas delivered in exchange		(5)	6,599					
Total gas utilization		[4] 731,114	589,442	487,460	412,834	295,586	208,499	141,556
Total gas sales (dollars per thousand)		132,895	105,639	74,682	61,135	39,674	28,708	21,529
Standard Oil of California:								
Gas production		147,917	143,188	141,711	148,482	162,221	159,655	168,649
Gas sales		98,858	83,859	81,491	87,403	113,834	117,119	113,138
Gulf Oil Co.:								
Net gas production		236,656	245,979	234,152	215,148	167,217	143,342	145,523
Net gas sales		195,998	201,595	182,815	163,341	124,284	110,564	117,411
Continental Oil Co. (No data available.)								
Sun Oil Co.: Gas sales		159,000	149,000	136,000	110,000			
Pure Oil Co.: Gas production		80,595	64,174	62,904	42,231	26,291	21,998	25,702
Panhandle Eastern Pipe Line Co.: [6]								
Gas production		79,335	72,400	74,660	75,406	65,428	60,163	51,591
Gas purchases		263,877	267,100	228,681	170,821	138,186	125,565	120,022
Gas sales [7]		318,737	315,008	320,773	251,272 / [8] 219,008	204,711 / [8] 195,828	186,104 / [9] 177,564	170,132
Gross gas sales (dollars per thousand)		85,301	92,993	89,499	[8] 42,207	[8] 36,936	[9] 32,954	
Population served (thousands):								
Directly		4.5	4.1	3.8	3.4	3.0	2.5	2.0
Indirectly		12,300	11,850	9,700	8,700	6,980	6,440	6,380
Colorado Interstate:								
Gas production		127,933	141,584	143,464				
Gas purchased and exchanged		76,299	42,343	25,052				
Gas total supply		204,232	183,927	168,516				
Gas total sales		191,245	174,656	163,634	159,476	136,281	104,124	108,686
Chicago Corp.:								
Gas production		Not stated	209,369	211,098	201,299	185,992		
Gas sales		116,460	113,055	118,743	107,001	74,050	65,252	55,114
Skelly Oil Co.:								
Gas production		116,786	113,433	106,204	103,313	88,919		
Gas processed		95,697	105,912	98,953	87,872	81,061	73,842	65,716
Atlantic Refining Co. (No data available)								
The Ohio Oil Co. (No data available)								
Republic Natural Gas: [10]								
Gas sales	64,946	64,586	71,418	70,721	63,555	65,661	70,426	[11] 58,862
Gas sales (dollars per thousand)	6,630	6,253	6,317	5,984	4,947	3,111	3,269	3,094
Cities Service Gas. (See No. 7 above.)								
Tide Water Associated Oil Co.: Gas production		85,863	74,385	68,651	58,003	46,277	40,963	40,736
Sinclair Oil Corp. (No data available.)								
Union Oil of California: Net gas production		60,701	64,308	52,597	45,208	25,649	25,259	22,951
Superior Oil Co.: Gas production [12]		65,000	70,300	[13] 189	44,000	41,000	33,000	34,000
Sunray Mid-Continent:								
Gas production		80,557	80,663	66,601	57,501	44,740	39,994	
Do		21,920	19,141	18,350	17,736	17,025		
Natural Gas Pipeline Co.:								
Gas production		76,317	90,582	95,235	109,323			
Gas purchases		162,310	142,835	130,482	104,340			
Gas sales		218,298	211,664	204,558	191,432			
Gas sales (dollars per thousand)		39,752						
Average price per thousand cubic feet (cents)		10.07	7.49	6.38	5.55	5.23		
Southern Production: Net gas sales		57,082	49,864	45,294	33,469	30,683	27,974	22,989
Pan-American Petroleum. (Merged with Standard Oil of Indiana; no separate data available.)								
Arkansas Louisiana:								
Gas production		37,361	35,470	35,875	38,670	34,464	25,805	30,605
Gas purchases		164,313	144,684	142,116	142,625	115,954	98,787	88,014
Gas sales		181,115	165,344	158,498	158,670	138,346	114,070	108,136
Gas sales (dollars per thousand)		32,567						

[1] Not stated.
[2] Reflects reductions resulting from sale of 2 natural-gas utilities in 1954.
[3] Only produced: withdrawn from storage included in received in exchange.
[4] As of Sept. 30, 1954.
[5] Included in storage for future use.
[6] Moody's and Standard & Poor's disagree on figures for 1952–54. These figures are from Standard and Poor's, p. 7285.
[7] Total volume produced and purchased differs from volume of sales, due to use of different measurement basis.
[8] 12 months ended as of June 30.
[9] 12 months ended as of July 31.
[10] Fiscal years ending June 30, 1955, and corresponding dates.
[11] Pressure base 16.4 pounds. Subsequent years 14.65 pounds.
[12] Fiscal years ending Aug. 31.
[13] Average daily.

Table V presents data on the consolidated earnings of these same selected companies. They are reflections of gross operating income and net income for comparable parts of 1955 and 1954, plus totals for the years 1954 and 1953. In a few cases, other qualifying footnotes have been added. It is most important to note that these data represent combined figures covering all operations which in some cases may only incidentally include natural-gas income. Only in one case has it been possible to quote separate data on income from gas operations.

TABLE V.—*Consolidated earnings of selected major producers of natural gas*

[Data in thousands of dollars]

Company	January-June		January-September		January-December	
	1955	1954	1955	1954	1954	1953
Humble Oil & Refining:						
Gross operating income	532,426	497,924			984,577	1,026,491
Net income	88,284	74,743			146,303	164,258
Phillips Petroleum Co.:						
Gross operating income	430,016	392,007	660,405	586,779	794,559	762,307
Net income	42,576	37,919	65,189	55,615	76,235	76,760
The Texas Co.:						
Gross operating income [1]	830,212	753,380	1,280,620	1,155,634	1,574,370	1,558,814
Net income [1]	[2] 124,834	97,481	[2] 189,767	151,880	226,141	192,600
Standard Oil of Indiana:						
Gross operating income	857,551	821,211			1,660,343	1,709,511
Net income	64,965	53,043			117,157	124,826
Socony Mobil Oil Co.:						
Gross operating income	832,569	803,890			1,608,708	1,606,572
Net income	97,056	87,808	145,000	128,000	183,806	187,250
Shell Oil Co.:						
Gross operating income	713,466	655,610			1,312,060	1,269,551
Net income	54,497	63,436			121,127	115,407
Cities Service Co.:						
Gross operating income	453,701	405,634	666,410	589,353	[3] 813,174	892,198
Gross operating income, natural gas					[3] 68,171	117,744
Net income	23,541	19,456	32,518	[3] 26,646	43,724	50,721
El Paso Natural Gas:						
Gross operating income	84,847	68,873			143,842	111,144
Net income	9,126	6,512			12,317	18,369
Standard Oil of California:						
Gross operating income [4]	603,468	549,567	939,098	[4] 825,490	1,113,343	1,080,425
Net income	109,343	104,044	166,272	154,921	211,872	189,453
Gulf Oil Co.:						
Gross operating income	917,196	836,327			[5] 1,705,329	1,640,872
Net income	91,871	80,797	145,287	121,867	182,813	175,036
Continental Oil Co.:						
Gross operating income	256,566	249,144			500,125	476,842
Net income	22,172	21,859			41,683	40,875
Sun Oil Co.:						
Gross operating income	321,573	328,343			659,532	670,787
Net income	24,407	20,407			40,344	45,154
Pure Oil Co.:						
Gross operating income	238,053	184,639	356,329	279,674	388,278	368,027
Net income	16,081	14,016	24,650	20,829	31,163	27,105
Panhandle Eastern Pipe Line Co.:						
Gross operating income	50,266				87,161	95,138
Net income	9,259				14,892	17,170
Colorado Interstate:						
Gross operating income	21,700	14,513			29,940	17,948
Net income	4,844	2,458			4,102	2,480
Chicago Corp.:						
Gross operating income (net sales)	31,289					
Net income	3,603	[6] 3,397				
Skelly Oil Co.:						
Gross operating income	110,266	104,634	167,353	156,312	211,081	215,317
Net income	14,823	14,184	22,815	20,933	29,455	31,277
Atlantic Refining Co.:						
Gross operating income	259,005	242,390	372,937	351,370	596,168	606,977
Net income	[7] 18,883	[7] 19,851	24,407	26,372	41,384	49,809
The Ohio Oil Co.:						
Gross operating income	126,684	127,355	190,975	187,219	248,484	241,705
Net income	19,551	19,493	29,193	28,281	38,224	43,539
Republic Natural Gas:						
Gross operating income [8]				[9] 16,240	15,962	15,238
Net income (includes net gain on sale of perperty: 1953, $557; 1954, $146) [8]				4,065	5,198	4,943
Cities Service Gas. (See No. 7 above.)						
Tide Water Associated Oil Co.:						
Gross operating income	239,284	229,297	354,292	338,289	459,030	473,437
Net income	18,022	18,167	27,256	26,967	34,547	36,952
Sinclair Oil Corp.:						
Gross operating income	535,591	499,072	799,720	741,539	1,021,461	935,465
Net income	37,801	36,515	56,138	[10] 52,896	[11] 91,580	68,061
Union Oil of California:						
Gross operating income	175,863	178,296	272,915	265,149	349,667	324,487
Net income	16,309	17,688	25,094	27,151	35,888	38,100
Superior Oil Co.:						
Gross operating income [12]	[13] 58,859	[13] 57,464			[14] 76,137	[14] 72,307
Net income [12]	[13] 4,063	[13] 8,343			[14] 10,360	[14] 12,000
Sunray Mid-Continent:						
Sunray Oil Corp. prior to merger:						
Gross operating income					125,239	133,169
Net income					23,200	27,573
Mid-Continent prior to merger:						
Gross operating income					164,250	174,455
Net income					13,468	14,394
Combined earnings:						
Gross operating income	147,510		221,000		294,838	313,232
Net income	17,629		27,535		36,669	41,967
Natural Gas Pipeline Co.:						
Gross operating income					41,994	32,316
Net income					2,753	2,225
Southern Production Co.:						
Gross operating income	8,580	8,717	12,835	12,880	22,847	19,961
Net income	2,239	2,536	3,275	3,247	4,174	3,601
Pan-American Petroleum. (Merged with Standard Oil of Indiana; no separate data available)						
Arkansas-Louisiana Gas:						
Gross operating income	25,573	21,917	35,571	30,805	42,421	[16] 37,096
Net income	1,992	[17] 1,606	2,316	[16] 1,397	[16] 1,950	[16] 2,194

[1] Brazilian subsidiaries excluded.
[2] Including $8,185 profit on sale of capital assets.
[3] Reflects reductions resulting from sale of 2 natural-gas utilities in 1954.
[4] After deducting State sales and gasoline taxes and Federal gasoline and lubricating-oil taxes.
[5] After deducting State sales and gasoline taxes and Federal gasoline and lubricating oil taxes.
[6] Includes $812 profit from sale of securities.
[7] Reflects special changes in organization.
[8] Fiscal years.
[9] 1955.
[10] Does not include profit figure.
[11] Includes $16,957 profit on sale of Pioneer Natural Gas Co. stock.
[12] After deducting royalties, other purchases, etc.
[13] 9 months ending May 31.
[14] Year ending August 31.
[15] After providing for losses of subsidiaries.
[16] Adjusted.
[17] Including special credits of $193.
[18] See Standard & Poor's, p. 2804.

Table VI, the final one of this series, reports both the current assets and the total assets of the same group of selected companies. The reminder is repeated that although all of these companies have extensive interests in natural gas, these figures represent their combined operations in all fields, not just in gas. Data for each year are given as of December 31, unless marked otherwise.

TABLE VI.—*Asset position of selected major firms engaged in the production of natural gas*

[In thousands of dollars]

[Data are as of Dec. 31, except when marked otherwise, and cover total operations, not gas alone]

Company	1954	1953	1950	1948
Humble Oil & Refining:				
Current assets	215,869	259,940	251,096	297,315
Total assets	1,245,054	1,186,306	935,527	861,268
Phillips Petroleum Co.:				
Current assets	261,635	257,290	176,879	151,349
Total assets	1,092,745	1,039,226	667,232	579,274
The Texas Co.: [1]				
Current assets	642,110	631,749	469,429	481,203
Total assets	1,945,509	1,805,481	1,448,712	1,277,094
Standard Oil of Indiana:				
Current assets	611,648	604,524	478,616	395,836
Total assets	2,187,358	2,036,101	1,640,075	1,500,049
Socony Mobil Oil Co.:				
Current assets	709,577	763,649	513,808	454,814
Total assets	2,256,691	2,154,456	1,609,872	1,443,034
Shell Oil Co.:				
Current assets	342,492	361,825	330,381	269,504
Total assets	1,041,886	984,589	723,102	640,569
Cities Service Co.:				
Current assets	411,682	367,332	314,316	286,116
Total assets	1,053,527	1,102,786	935,697	991,851
El Paso Natural Gas:				
Current assets	40,545	31,835	13,252	7,526
Total assets	675,439	612,958	274,847	170,013
Standard Oil of California:				
Current assets	474,131	448,551	334,429	285,642
Total assets	1,677,849	1,535,185	1,232,953	1,074,526
Gulf Oil Co.:				
Current assets	744,054	734,646	461,287	393,348
Total assets	1,969,052	1,765,748	1,344,358	1,191,004
Continental Oil Co.:				
Current assets	173,851	129,933	112,958	108,025
Total assets	480,199	409,423	291,585	261,950
Sun Oil Co.:				
Current assets	144,518	140,317	124,999	110,573
Total assets	494,870	468,817	329,174	278,583
Pure Oil Co.:				
Current assets	132,031	121,720	93,227	81,625
Total assets	410,764	383,103	308,725	270,968
Panhandle Eastern:				
Current assets	24,456	34,144	26,300	30,101
Total assets	328,709	294,445	227,250	178,219
Colorado Interstate: [2]				
Current assets	14,973	6,042	----------	----------
Total assets	124,985	104,858	----------	----------
Chicago Corp.:				
Current assets	31,734	13,095	----------	----------
Total assets	100,689	46,920	----------	----------
Skelly Oil Co.:				
Current assets	72,481	71,143	53,197	57,784
Total assets	291,843	274,528	210,916	169,015
Atlantic Refining Co.:				
Current assets	146,202	155,482	138,459	119,830
Total assets	611,682	570,839	432,545	382,558
The Ohio Oil Co.:				
Current assets	99,138	101,546	86,478	73,433
Total assets	324,949	313,298	241,191	203,389
Republic Natural Gas Co.: [3]				
Current assets	7,869	4,606	----------	----------
Total assets	42,844	37,370	----------	----------
Tide Water Associated Oil Co.:				
Current assets	146,401	137,550	106,328	101,903
Total assets	395,869	362,424	296,583	287,730
Sinclair Oil Corp.:				
Current assets	382,965	385,148	302,335	296,157
Total assets	1,186,771	1,140,665	799,051	710,125
Union Oil of California:				
Current assets	128,912	132,355	90,867	86,743
Total assets	511,238	476,047	358,292	298,416
Superior Oil Co.: [4]				
Current assets	34,156	34,315	----------	----------
Total assets	142,435	135,804	----------	----------
Sunray Mid-Continent:				
Sunray Oil Corp.:				
Current assets	65,494	57,637	----------	----------
Total assets	300,040	292,339	----------	----------
Mid-Continent:				
Current assets	88,373	88,032	----------	----------
Total assets	186,332	181,776	----------	----------
Consolidated balance sheet reflecting merger:				
Current assets	129,315	----------	----------	----------
Total assets	461,805	----------	----------	----------
Natural Gas Pipeline:				
Current assets	11,364	7,284	----------	----------
Total assets	150,305	142,636	----------	----------
Southern Production:				
Current assets	14,142	13,563	----------	----------
Total assets	79,230	71,573	----------	----------
Arkansas-Louisiana:				
Current assets	16,435	12,153	10,154	9,125
Total assets	93,062	82,636	61,695	51,851

[1] Excludes Brazilian subsidiaries, 1953 and thereafter.
[2] Prior to 1951, was merged with Canadian River Gas Co. No separate data.
[3] Fiscal years.
[4] Year ending Aug. 31.

VISIT OF THE PRIME MINISTER OF GREAT BRITAIN

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I merely desire to refresh the memory of the Members to the fact that tomorrow, the Prime Minister of Great Britain, Hon. Sir Anthony Eden, will be the guest of the House. It is expected that he will arrive here about 1 o'clock. I make this statement so that Members may anticipate the visit and, if possible, be present.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I understand there are no tickets for tomorrow, is that correct?

Mr. McCORMACK. That is correct. I desire also to say that there will be a quorum call before Mr. Eden's visit.

POLITICAL EXPEDIENCY MAY CHANGE, BUT PRINCIPLES NEVER DO

The SPEAKER. Under previous orders of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 5 minutes.

Mr. BYRD. Mr. Speaker, talks are under way between Prime Minister Anthony Eden and President Eisenhower here in Washington. Mr. Eden will probably press the President and the State Department to give Communist China the offshore islands of Matsu and Quemoy and to be ready to advance United Nations membership for Red China as soon as American public opinion permits. He is probably hopeful, too, that the administration will be willing to launch a massive propaganda drive to shape American public opinion to the desired mold.

When Mr. Eden comes to us pleading the cause of Red China, he upholds the bloody hands which tortured and killed thousands of our American boys in Korea. He fronts for the men who wantonly have broken their armistice agreement with us and who are holding our people as captives, and he asks us to be guilty of dishonorable desertion of our loyal ally, the Nationalist Chinese Government, a step which would ultimately force them to give up Formosa. This would be an ideal time for the President and the State Department to tell Mr. Eden that, if the Chinese Nationalists are ever forced to yield the offshore islands to Red China, it would merely whet the appetite of the Reds to press the claim they now make to Formosa. Moreover, it would further encourage them to take the British Crown Colony of Hong Kong, which the English acquired from the Chinese in 1842, under the Treaty of Nanking. Russia would, of course, support Red China in this just as she now supports Chou En-lai's blatant and brazen claim to Formosa. If for 1 minute Mr. Eden thinks that the taking of Hong Kong is not on the timetable of Red China, or that it can be avoided by appeasement, he is completely blind to the Communist technique.

The American people are a religious people who believe in moral laws and who believe in a Creator who governs the destinies of men and nations. The people of America will never stoop to

low as to yield on basic principles of righteousness and justice, nor will they succumb to either the blandishments or the threats of the atheistic cutthroats and murderers who constitute the communistic government of Red China, and who openly and defiantly deny the existence of God and of any moral law.

American public opinion will never approve Mr. Eden's policy. If it should ever do so, that very day would mark the beginning of the decline of the American Republic, a decline which would be as precipitous as its cause was shameful.

THE DEATH OF A PATRIOT

The SPEAKER pro tempore (Mr. CARNAHAN). Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 30 minutes.

Mr. FEIGHAN. Mr. Speaker, our daily press of yesterday carried the story of the tragic death of Maj. Gen. Kim Chang Young, who was struck down by the bullets of assassins on the very streets of Seoul, Korea. General Kim was the Commanding General of the Counter Intelligence Corps of the Republic of Korea Army. To all who knew him, he was a dedicated patriot. He was possessed of a fierce determination to keep his country free and independent. General Kim was equally dedicated to the hope that all Korea would soon be united under a government clearly representative of the will of the people. He was loved by all who stood for human freedom, individual liberty, and equal justice. He was feared equally by all who engage in the conspiratorial advancement of communism in Korea.

General Kim was no theorist, though he was one who fought for the highest ideals and noblest aims of free men and free nations. He could never be a theorist on the subject of communism because he knew the evils of that tyranny from first-hand experience. General Kim suffered at the hands of the Communists. During the war of Communist aggression in Korea, General Kim was a field commander. In the course of battle, he was taken prisoner by the Communist legions of China, operating out of North Korea. As a prisoner of war, he was subjected to the worst kind of torture and carried with him to his death the scars of brutality on his face. That is one of the reasons why General Kim was so determined that the inhumanities and cruelties which go hand in hand with Communist occupation of all non-Russian nations should not befall his fellow countrymen in the Republic of Korea. These facts also explain, in large degree, why General Kim was so dedicated to uniting Korea under a free and democratic government—thus ending the cruel Communist division of his homeland.

It has been my honor and privilege to know personally the late General Kim. Only last November, I had several important and most useful meetings with him while I was in Korea on an official mission for the Committee on the Judiciary. I recall that on Armistice Day which was properly celebrated as a holiday by all United States missions in Korea, I spent 6 hours with General Kim and members of his staff in the headquarters office of Counter Intelligence Corps which he commanded. Those were six unforgettable hours in which I had presented to me almost unbelievable evidence that General Kim and his staff had collected on the operation of the Communist conspiracy in the Republic of Korea.

I believe that the greatest tribute I could pay to General Kim would be to tell you, my colleagues, about some of the evidence of the Communist conspiracy which General Kim uncovered which has a special bearing on the future security and well-being of the United States and all free countries.

It is obvious that the Communist forces which now occupy the northern area of Korea have made a determined effort to infiltrate free Korea and to cause confusion among the Allied Powers and disruption of the democratic Government of the Republic of Korea. General Kim uncovered and exposed the entire plan of the Communists to infiltrate and subvert free Korea. He showed me a map which pinpointed literally hundreds of training centers maintained by the Communists in the occupied part of Korea from which thousands of agents have been sent into South Korea. These agents were prepared to infiltrate, infect, disrupt, and disorganize every element and phase of civilized life in free Korea. General Kim's staff was most effective in apprehending these agents and in breaking up their underground network. So effective were his operations that the original system of enemy-agent infiltration was completely destroyed. That system was based upon a cell comprised of six agents who operated as a unit. As a consequence of General Kim's actions, the Communists now train only one agent at a time for a given task, and that agent is not aware of the identity of any other agents who might be assigned to a similar task. In addition, these agents attempt to slip into the Republic of Korea as individuals rather than as operating units. I personally saw positive evidence of the effectiveness of General Kim and his staff in breaking up these latest efforts of the Communists to infiltrate and subvert free Korea. In fact, during my stay in Korea this past November, General Kim permitted me to interrogate two Communist agents who had been apprehended only a matter of hours before I saw them. During the course of my interrogation these two people voluntarily admitted that they were Communist agents, that they had been specially trained in North Korea, and that they had been indoctrinated with the Communist big lie about the United States and its intentions toward all the people of the world. These two agents unwittingly paid tribute to the effectiveness of General Kim and his corps by relating how difficult it was for a Communist agent to enter free Korea, or to carry out the mission assigned to them by the conspirators who now occupy North Korea. I well recall General Kim's statement to the effect that the price of internal security for free Korea depended upon eternal vigilance against infiltration of Communist agents.

Another part of the Communist conspiracy uncovered by General Kim was the manner in which commercial trade is used by them to carry out their espionage missions. General Kim uncovered an abundance of documentary evidence to clearly demonstrate that Red China is using trade with the free world as a means to infiltrate its agents into key spots in the free world as well as to secure currencies of the victim countries to pay for Communist activities which these same countries are trying to stamp out. For example, he uncovered evidence to show that commercial trading ventures in the Far East manipulated out of Red China, comprised the main lines to facilitate agent infiltration, information transmission, and the supply of operational funds for agents of all types. He expressed amazement that any intelligent person would suggest that it was possible to trade with Red China without accepting the consequences of agent infiltration, granting the enemy communication facilities, and other destroying effects that come from such activities. This was no idle theory propounded by General Kim, but rather a hard cold fact of life which he was able to support with volumes of documentary evidence and sworn statements. Those who today are so naive as to urge any trade with Red China, even in what they erroneously call nonstrategic materials, could well learn the lesson set forth by the late General Kim that you cannot do business of any kind with the Communists without accepting the concomitant of agent infiltration and all the other subversive activities that eventually do destroy the independence and dignity of a people.

Anyone who harbors even the slightest hope that recognition by the United States of Red China could lessen world tensions, would do well to reflect upon the warnings of General Kim with respect to trade with Red China, which is now being used as a prelude to softening our resistance to any form of recognition of the Communist regime which occupies the Chinese mainland.

General Kim was also an expert on the manner in which the Chinese Communists and their bosses, the Russian Communists, have taken over North Korea and the ruthless manner by which they maintain their control over the people in that area. He opened up his files and records to me to point out that there were still over 60,000 battle ready Chinese Communist soldiers stationed in North Korea, that over 100 air strips had been built in North Korea since the so-called armistice, which as you and I know, is in cold and clear violation of the basic terms of that armistice. He also revealed to me the amount of Russian-made equipment that is now available in North Korea in addition to the Russian MIG jet fighter which is known to everyone who reads the newspaper. General Kim had uncovered evidence to prove beyond any doubt, that those behind aggression and war in Korea were the Russian Communists who, in fact, control every

affair of importance done in Communist occupied Korea or directed at the free world from that area.

Members of the Korean Counter Intelligence Corps Staff put before me actual weapons then being issued to the Communist troops in North Korea which were stamped "Made in the U. S. S. R." In this connection, I was also shown Russian-made radios and Russian-made-sabotage equipment which had been confiscated from Communist agents attempting to operate in South Korea. General Kim hesitated to give me an exact figure of the number of Russian Communists stationed in North Korea, but he assured me that the number was considerable and that there was no doubt but that they were the ones who masterminded everything that was done in the name of the North Korean Communists. It is to the everlasting credit of General Kim that he understood the Russian question and that he did not under estimate the superior role played by the Russians in the international Communist conspiracy.

While in Korea, I heard a great deal of talk about the neutral nations supervisory commission which was provided for in the so-called armistice arranged during the Communist war of aggression in Korea. As you know, that neutral nations supervisory commission is supposed to inspect and report on the armed truce which now hangs so heavily over the people of Korea. This commission is in no sense, a neutral nations commission because it includes in its membership representation of Communist occupied Poland and Communist occupied Czechoslovakia. It will be recalled that India agreed to accept the chair of this commission when it was set up. But soon after when the deal proved to be phony, the Indian general acting as chairman could no longer stomach the tragic farce which involved his nation and he accordingly resigned the chairmanship and took the Indian troops back to India. Consequently, there remain four member nations on this so-called supervisory commission in addition to the Communist Czechs and Poles, there are the Swedes and the Swiss. Because of all the talk I heard about this so-called neutral nations supervisory commission, I asked General Kim for his opinion on the matter. He hesitated to answer me, and he told me that he did not want to embarrass any of the governments of the free world by expressing his opinion on this matter. I assured him that truth could never be a matter of embarrassment to the American people.

It was at this point that General Kim took me to a set of files and exhibits relating to the activities of the so-called Neutral Nations Supervisory Commission. In those files was an abundance of evidence of a documentary character together with pictures showing that the Communist Poles and Communist Czechs serving as members of this mission engaged in both espionage and propaganda activities. From the evidence collected by General Kim and his staff, I have no doubt whatever but that the Communist world conspiracy regards the so-called Neutral Nations Supervisory Commission in Korea as nothing more than an instrument through which they can carry out espionage and propaganda. I need not add that our own military security officers were not in disagreement with the evaluation given to me by General Kim on this all-important question. It is to be regretted that the representatives of Switzerland and Sweden have continued to lend themselves to this tragic farce which only makes more difficult the task of enforcing the peace and bringing about eventual unity of Korea under one government, representative of the will of the people.

General Kim came to see me as I departed Korea. He then presented me with this documentary album having to do with the Communist efforts to infiltrate, subvert, and destroy the Republic of Korea. This album depicts by pictures and narrative the destroying processes carried on by the Communists in Korea and in some measure throughout all of the Far East. I invite you, my colleagues, and all Members of Congress, to examine this documentary album because I am sure you will be greatly impressed by the information it contains. I regard it as a demonstration of the role that the late General Kim played in defending the freedom and independence of Free Korea.

As of this moment, to the best of my knowledge, the assassins of General Kim have been neither apprehended nor identified. General Kim was a great friend of the United States because he knew about us from firsthand experience. Only last December General Kim was here in the United States for a short visit. I know that all those who met him while he was here, were impressed with his vigor and his determination in the cause of human freedom and that they too will mourn his untimely passing.

It is not my purpose to pass judgment or to speculate on who could be responsible for such a terrible crime as this, but I will say that after all the dust has been cleared away, there shall be no doubt but that General Kim was the victim of those who feared the patriot and those who carried out the orders of the alien tyranny of Russian communism. All lovers of freedom will mourn the passing of General Kim. The people of Free Korea who today live under the shadow of an armed truce with the alien Communists, will miss the dedicated and determined efforts of General Kim to maintain their freedom and independence. I, like all those who came to know him, will cherish his memory as one who loved his homeland and who was prepared to give his life in the cause of human freedom.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I am very happy to yield to the gentleman.

Mr. BENTLEY. I commend the gentleman from Ohio for his interesting and informative statement regarding the late General Kim, another martyr in the fight against communism. I was particularly impressed with what the gentleman from Ohio had to say regarding the fallacy of trade with Communist China, especially in view of the fact that the Members of the House are going to be privileged to listen tomorrow afternoon to the Prime Minister of the United Kingdom who is apparently one of the outstanding advocates of increased trade with China in addition to recognition of Communist China itself. Would the gentleman care to comment on Mr. Eden's views in that respect?

Mr. FEIGHAN. I am diametrically opposed to Mr. Eden's views on the subject of trade with the Communists because it is known that he is even now advocating expanding trade with Red China. I am against trading with the U. S. S. R. or with any Communist-dominated country, and I mean trade in any form whatsoever. I do not recognize any difference between so-called strategic and nonstrategic materials because, in my opinion, there is no difference. As an example, food itself may be considered by some to be a nonstrategic material; however, food is used as a weapon of war by the Russian Communists. I certainly hope we will sever our trade relations with the presently Russian occupied countries. As far as having any trade with Red China is concerned, I am unalterably opposed to that. As General Kim explained and as this album depicts, the Chinese Communists and the Russian Communists have set up trade establishments in Shingisu in North Korea and they also have other commercial offices in Hong Kong, Osaka, and Tokyo, Japan, using those offices to infiltrate and to subvert and as a means of communication for their espionage activities, also to obtain operating funds for Communist activities in South Korea. That same thing would apply in any nation of the world where there is trade with Red China or any Communist-occupied country, including U. S. S. R.

Mr. BENTLEY. If the gentleman will yield further, I wonder if the gentleman could tell the House if either the diplomatic recognition of Red China or the amount of trade that has been carried on between Red China and Great Britain have been of any benefit as far as the British people or the British economy is concerned.

Mr. FEIGHAN. I do not feel adequately prepared at this time to express an opinion as to how the British fared economically with trade in Red China.

Mr. BENTLEY. I can tell the gentleman that as far as I know neither the recognition nor the little trade that has been carried on has been of any assistance to the United Kingdom. I certainly commend the gentleman for his statement and I hope the House will remember his remarks when we listen to Her Majesty's Prime Minister tomorrow.

Mr. FEIGHAN. I am sure the gentleman is correct in his estimate that the people of Great Britain have not benefited in any way by trade with Red China. I am equally certain that the prestige of Great Britain in the arena of world affairs suffered a crippling blow by its diplomatic recognition of Red China. As an example of my point, that once great nation, Great Britain, sent its Ambassador to Peking as the first step in establishing diplomatic relations with the Red commissars of China. That Ambassador was required to lay around in Peking for

almost 2 years before the Red commissars even took note of the fact of his presence. During this period when the British Ambassador was given the silent treatment, the Chinese Reds continued to abuse Great Britain for everything it did to support the cause of human dignity and freedom. In my considered judgment, the British Ambassador was made victim of the ancient practice of kow-tow made famous by the court of the Manchus, who used these methods against the Russians centuries before. I say it is quite unfortunate that the fine people of a once proud nation, Great Britain, would be subjected to such degradation and abuse of their national honor.

Mr. BENTLEY. Is the gentleman familiar with the fact that the Red Chinese have been prepared to and are using narcotics in this economic warfare?

Mr. FEIGHAN. Indeed I am. In this album which I hold here in my hand, are pictures showing contraband narcotics which were taken off the person of North Korean Communist agents who had infiltrated into free Korea. These agents were, of course, dispatched by the Chinese Communists in North Korea and their Russian Communist masters who instigate and supervise all such nefarious practices. One of these pictures shows a series of bottles containing 955 grams of morphine taken from a commercial firm operating in South Korea which was later disclosed to be a covert subsidiary of the Communist intelligence network. Another picture shows a captured agent and a large quantity of narcotics which were taken from his person when he was apprehended. The mission of this particular agent was to bring about the narcotic addiction of our own GI's fighting in Korea and thus to cause the demoralization of our fighting force. Still another picture shows a series of boxes containing morphine injections confiscated from the quarters of a Communist agent who had been sent into free Korea to raise funds to cover the operational costs of other Communist agents operating in free Korea. Here again the sly and cunning Communists seek to accomplish a dual objective—that of securing funds for their conspiratorial works, and at the same time demoralizing the victim state by bringing about the narcotic addiction of large numbers of its citizens. Still another picture shows a huge quantity of raw opium, well over 10 pounds, which was confiscated from still another Communist agent who was apprehended in the process of cutting and selling this raw opium in South Korea in order to secure operational funds for the Communist conspiracy in South Korea. I was assured by General Kim that every single bit of these narcotics which I have described were supplied by the Chinese Communists who have made a major industry out of narcotic production. I say to the distinguished gentleman from Michigan that based on the evidence which I have here in my possession, I am convinced that anyone who commits the foolish error of attempting to carry on trade with Red China will lay themselves open to the diabolical plan used by the Red Chinese to bring about the narcotic addiction of vast numbers of the people of a victim state, a process which will certainly break down the moral fibre and integrity of any nation and in the end will make such nations easy prey to the coup d'etat which the Russian Communists are always ready to administer.

Mr. BENTLEY. Would not the gentleman from Ohio think it extremely likely that if we did have any amount of commercial relations with Red China we might find various narcotics flooding this country?

Mr. FEIGHAN. I do not hesitate to say that if the United States should ever be led into the fatal error of trade with Red China we will lay our loved ones, our children, and the flower of our youth open to this diabolical menace.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Mr. Speaker, I want highly to compliment the able, distinguished gentleman from Ohio for his splendid, eloquent tribute to General Kim, and for his most penetrating comments on these great international issues which are of such great concern to all of us at this time. I think the gentleman's penetrating speech has thrown a great deal of light upon many facets of these problems that will likely increasingly attract the attention of the Congress. I want to commend the gentleman for his excellent address.

Mr. FEIGHAN. I thank the gentleman.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Speaker, I rise to join my colleague from Massachusetts to compliment the distinguished gentleman from Ohio for his very able statement. I know him as one of the active and energetic members of the Committee on the Judiciary and one who in our recesses in the Congress here has taken advantage of the time to go abroad to study and to further educate himself on international programs and especially the functioning of our immigration system. I feel that he, as one of my colleagues on the committee, is to be complimented for the amount of time and work and effort that he has put in especially on all of those matters pertaining to the Committee on Immigration. Although he has traveled extensively, he has found the time to give us the benefit and value of his study and his thought and his recommendations and his suggestions, and he is to be congratulated for bringing back to us all of this valuable information as the result of his travels to these many countries that he has visited for the Congress of the United States.

Mr. FEIGHAN. I thank the gentleman.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, I, too, wish to join with my colleagues in commending the distinguished gentleman from Ohio for his tribute to the martyred General Kim and for his report to us here in the Congress of his conversations with General Kim visited only a few months ago by the gentleman from Ohio who is now bringing to us here in the Congress a report of those conversations. I feel the gentleman from Ohio has made a great contribution to this subject and to the matters that we will be considering within the next days and the next weeks. I thank the gentleman from Ohio for his contribution to my own understanding and knowledge of the subject.

Mr. FEIGHAN. I thank the gentleman.

DISASTER INSURANCE

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, today I appeared before the House Committee on Banking and Currency in behalf of the principles of my bill, H. R. 7944, and other similar bills to provide a national system of disaster insurance. My own bill which is based on the principles of the War Damage Corporation which functioned so successfully during the war, recognizes our free enterprise and in general designates the insurance companies to place and service all the policies and establishes a revolving fund out of which losses can be paid upon a given contingency.

I appreciate the fact that there are far more sweeping proposals presented by Senator Lehman and others which cover manmade, as well as natural, disasters, and, frankly, I have no objections to them, because I think they all move in the right direction, namely, of providing for our fellow citizens, individuals, bodies corporate and public, appropriate insurance against disaster of whatever kind wherever it may strike.

Admittedly, this is a very broad question and I think that Congress in providing this type of insurance, as now appears inevitable and imperative, will have to establish appropriate limitations to make such a program actuarily and fiscally sound and confine any inflationary effects that might otherwise appear. Members of Congress can all take judicial notice, I think, of the tremendous, horrible potentialities of nuclear and thermo-nuclear damage to the Nation in case of war or attack. And it can be demonstrated beyond question, based on our experiences over a long period of time and particularly of recent date, that natural disasters can inflict tremendous damage which should be recognized and anticipated by enacting indemnity legislation embracing the principles of insurance.

I first introduced my bill on this subject following the Worcester, Mass., tornado of 1953 which created such great havoc and dreadful loss of life in one of our great American cities represented in the Congress by our able and distinguished friend the gentleman from Massachusetts, Congressman DONOHUE, and

when the ravaging floods of August 1955, and since that time, struck my district, State, and the Northeast and, later the great State of California with such terrific impact and huge damage, my interest has naturally become all the more intensified. There can be no doubt, I think, that the time has come for action in this field, if we are to be prepared to cope with future disasters whether they emanate from war or nature.

There are many kinds of natural disasters which would and should be covered by this legislation—floods, tornadoes, earthquakes, forest fires, hurricanes, droughts, and other similar visitations of nature. It is estimated by a very eminent economist, Prof. Seymour E. Harris, head of the economic department at Harvard College and prominent public figure, that over 25 years the average cost of floods has been about $160 million per year and other qualified economists have estimated that these costs might be as high as $300 million per year or more. Actually, the latest available figures of the Army engineers appraise the damage done in New England prior to August 26, 1955, was $1.7 billion, or about 10 percent of the region's income for the year. And that does not include, of course, the severe damage of later floods which ravaged our area and caused untold damage.

Clearly, action by Congress is imperative and it must be on a broad front, it must embrace adequate relief, rehabilitation measures, effective protection, and insurance. While to some extent these remedies are mutually inclusive, and again they may not be, for example, if a widespread, efficient system of flood control is speedily inaugurated and completed that would, in the opinion of engineering experts, insure against the repetition and reoccurrence of periodic floods in given areas. However, nature's caprice is unpredictable and future floods could conceivably overcome or bypass technical protective projects and strike even at areas that have not been heretofore hit. This is one strong and sound reason for insurance against floods and other disasters because not even the wisest and most accomplished scientist can forecast with certainty when one or the other of these terrible natural disasters which visit us from time to time, will descend.

Most of us will agree, I think, that disaster-insurance coverage or even flood coverage cannot be provided by the private insurance companies. Admittedly, the rates would be prohibitive without Government support. This principle was recognized in the war-damage-insurance legislation and by President Truman in 1951 after the Missouri River floods when he proposed a Federal underwriting program of disaster policies up to a billion and a half dollars. This measure was not adopted at the time and, as an alternative, the Bureau of the Budget suggested that Congress enact a measure authorizing the Government to pay out $22 billion for disaster insurance, an amount that would involve about 2 percent of the current wealth of the Nation.

There are many broad pending proposals relating to risks and the apportionment of rates, incentive plans, rate differentials between and within States, and the like.

Of all these proposals it seems to me that in principle at least the one I have suggested affords a ready answer to the problem, namely, a Federal reinsurance program with Government backing, limiting the total coverage to perhaps twenty or twenty-five billion dollars, entailing about an average rate of $1 per $10,000 value. This insurance would be cheap and attractive and would, most experts agree, result in wide coverage. If the States were permitted to participate as suggested by Professor Harris, by committing the property tax to a certain limited amount of the rate, it is believed that each homeowner would be charged something like 50 cents to $1.50 per year. Personally, I am of the opinion that the Federal Government should underwrite and support this program by itself, because I think the general property tax is already very heavily burdened in most States and communities. These damages are national in character and effect even though they strike at localities and areas and they greatly affect the national economy and I, therefore, believe the solution lies in the national field by enactments of this Congress.

It is undeniable that once the costs of disasters could be distributed over broad enough an area it would not only be general participation because of low rates and the need for coverage but also a more realistic contribution by the Federal Government from tax revenues collected from the States.

Of course, it does not seem to me that it should make any difference whether we call this protective legislation indemnity or insurance. It also seems to me that it wil be desirable for us in the first instance to experiment with this new type of program in order to acquire sufficient experience to enable us in the long run to provide a mechanism that will be actuarily and financially sound. I do not believe that this program should entail matching contributions from the States at this time.

There will also be a problem of reconciling the new program with other types of personal-property insurance and the crop insurance. It will be more beneficial in the long run, I think, to start with a broad support program excluding Government competition with private companies and preserving the principle of our free-enterprise system.

I also agree that whatever form this legislation takes it should provide, insofar as it is practicable, for the ultimate elimination of subsidies and for a self-sustaining program, although we can all envision situations involving manmade disasters when no program of this character which the Congress might adopt, could possibly carry itself and stupendous Federal payments would be necessary. In fact, in that event, doubtless the entire taxing power of the Federal Government would have to be thrown into the breach. I agree with Professor Harris that the fund should be limited to about twenty billion dollars or so, in order to cope with possible inflation.

I would suggest that the maximum coverage under any bill for any one corporation, individual, State or municipality should not be limited to $250,000, as proposed by the administration bill, but extended to cover every possible loss. To illustrate the need for this provision, I may say that in my own district in the recent floods, one company sustained an actual loss of well over a million dollars and several companies sustained losses well over $250,000.

The principle of re-insurance of private companies underwriting disaster risks is a sound one, and I think it should be incorporated into any legislation, but here again I feel that the matter of limiting the amount of authorized reinsurance ought to be carefully studied so as to provide adequate funds to cover all contingencies.

Under the situation now confronting us, I believe that the Government and the Government only, can feasibly inaugurate disaster insurance. I hope that in considering this legislation that the Congress will consider the principles of my bill, H. R. 7944.

I may add that under my bill payments for damages incurred would be made only upon a declaration by the President of a disaster area.

In my judgment the idea of disaster insurance is not only sound but economically feasible and imperatively demanded by existing conditions in order to safeguard our economy and spare many of our fellow citizens from ruin or great economic loss.

There are elements in the problem that are extremely challenging, I know, there are great complexities to be sure, but I have confidence the Congress will not only give the matter painstaking and thorough attention, but also be able to come up with effective solutions that will square with our free-enterprise system, protect the public interest and save large numbers of our fellow citizens from virtually irreparable economic loss.

As chairman of the Massachusetts Congressional Delegation Committee on Flood Prevention and Relief, a body composed of several very able Members of the House, in behalf of my own constituents, our State and area which suffered so greatly from past and recent floods and in the name of the very many people and communities throughout the Nation which have been and will be in the future confronted with the horrible conditions that arise from natural disasters I respectfully urge the Congress to continue careful, and expeditious study and prompt action upon disaster-insurance legislation.

The foregoing is the substance of my remarks today before the Committee on Banking and Currency of the House, which is holding hearings on disaster-insurance legislation.

ARMY RESERVE TRAINING CENTER, MONTCLAIR, N. J.

Mr. KEAN. 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 New Jersey?

There was no objection.

Mr. KEAN. Mr. Speaker, I wonder how many times a week each Member of the House of Representatives uses the word of an officer of the United States Army as the sole basis of a commitment to a constituent.

If the volume of mail in the offices of other Representatives dealing with soldiers' problems, construction of Army installations, Army spending and so forth, is as great as it is in mine, the average Member of this body makes promises daily to constituents based on the word of Army officers.

It is because of this part of our everyday life that I wish to relate to the membership of this body an experience I am now having with the Department of the Army. But before doing so, I wish to emphasize that I strongly favor the Army Reserve program. I believe that it was the Reserves who won both World War I and World War II, and made it possible for us to do as well as we did in Korea. The Reserve program is all-important to insure our strength for any possible future war. I favor location of a Reserve armory somewhere in the vicinity. However, in my opinion, the location chosen by the Army was an unfortunate one.

Here is the story:

On October 5, 1955, I received eight telegrams from residents of Montclair protesting the erection of an Army Reserve training center on Orange Road, Montclair, N. J., "because of its detrimental effect upon our neighborhood."

This was the first that I had ever heard of the project.

I immediately asked my administrative assistant in Washington, as Congress was in recess and I was in New Jersey at the time, to find out what it all was about. He discussed the matter with the Army and sent me a memorandum which I received on October 7.

I looked into the situation and found that the area suggested was one which was building up into a very respectable single-family dwelling neighborhood for colored homeowners.

A meeting was arranged with the Army to discuss the matter which was held in Montclair on October 24. Present besides myself were: Mayor Dill, of Montclair, 2 of the Montclair town commissioners, and a committee of 3 representing the local citizens group, and representatives of the Army.

The meeting was a friendly one. All present realized the need for a Reserve armory somewhere in the vicinity, but representatives of Montclair emphasized that the choice of location was unfortunate.

Mayor Dill, who, by the way, is a Democrat, stated that he would try to suggest some alternate sites in Montclair.

At the close of the meeting Col. Lowell S. Love, representing the chief of the Army Reserves, turned to me and stated that he was authorized by his superiors to say that as long as the Congressman and the citizens living in that area did not wish the armory there, they would not press the proposal.

He had stated earlier in the meeting that the Army had moved pretty far toward acquiring the property and that they would now have to take steps to get out of the contract.

The matter seemed to be settled satisfactorily and the next move the Army was to make was to consider the suitability of the sites suggested by Mayor Dill.

There were, of course, newspaper items published stating that the Army officials had promised to relocate the project, and a short time later I sent out letters to several hundred of those living in the neighborhood telling them of the Army's decision.

On November 30 I received a letter from Dr. W. Lincoln Hawkins, one of the local committee, enclosing copy of a letter he received from Col. John S. Roosma, Headquarters, First Army, Governors Island, N. Y., dated November 25, in which he stated:

> There is a difference of opinion on the agreement reached at the meeting held in Montclair.

He further stated:

> We cannot abandon the Orange Road project until such time as a suitable alternate location is offered us and the Army had not heard from Mayor Dill.

This was true. Mayor Dill's mother had died shortly after the meeting and it was not until November 25 that the mayor wrote to the Army suggesting the three alternate sites in Montclair.

I wrote to the colonel on November 30, in part, as follows:

> I must, however, call your attention to the fact that the statement made by you with reference to our understanding as to the meeting was incorrect. Colonel Love stated categorically that if I felt that the site proposed was not a suitable one, the Army would not place the armory there. I naturally rely on his word as an officer and a gentleman. This fact was in no way modified by any statement that the alternate sites which the Montclair authorities volunteered they would suggest to you must be suitable.

A few days later, Mayor Dill wrote to Brig. Gen. Philip F. Lindeman, Chief of Army Reserve and ROTC Affairs, as follows:

> I have your letter of December 5, which is both disappointing and surprising. At the meeting on October 24, Colonel Love stated to me, to two of my fellow commissioners, to Congressman KEAN, and to a committee representing the residents of the neighborhood of the proposed center, that he had been authorized by you to state that in view of the expression of disapproval of the location of the Army Reserve Training Center on the Kramer property that the Army would not locate the center in Montclair. That was a categorical, unequivocal, and unconditional assurance.

I talked to Colonel Love on the telephone and he suggested that it might be a good idea to have the mayor and representatives of the town meet with the Assistant Secretary of the Army, Chester Davis, as the matter was now at the Secretarial level.

I arranged the meeting for the afternoon of December 22. Mayor Dill, a committee of three from Montclair, A. B. Hermann representing Senator H. ALEXANDER SMITH, of New Jersey, and I were present.

The meeting was not satisfactory. Secretary Davis gave no indication that he would even consider relocating the proposed armory. The statement was made that Mr. Kramer, the owner of the property, had refused to cancel the proposed condemnation and that the Army was thus stuck with the property, and I gather this was the reason why they seemed adamant.

Now although I can sympathize with the Army's feelings, they made two very serious mistakes in their handling of the matter.

In the first place, they never notified me, the Representative of the District, that the armory was contemplated and they took their first steps with reference to condemnation without ever notifying me.

In the second place, the Army made a definite promise at the meeting in Montclair that the installation would not be placed there as is attested by myself, Mayor Dill, and the three representatives of the community who were present.

Colonel Love agrees that he made the statement but said it was modified by his discussion before, that the Army had to be able to get out of the contract.

However, neither I, nor anyone else present, will agree that there was such a modification.

I read from a letter written to the Honorable Chester R. Davis, Assistant Secretary of the Army, on January 18, 1956, by Mayor Dill, of Montclair:

> DEAR MR. DAVIS: At at meeting of all the members of the town commission last evening I was directed to write you that the Montclair town government has neither changed nor modified the views which have been heretofore expressed to you in opposition to the location of the proposed training center on Orange Road in Montclair. We again wish to direct your attention to the numerous other locations available in this general area, and if Montclair is believed to be especially desirable, to the other sites in town suggested for consideration.
>
> We are aware of the necessity for the center in the advancement of the Army's expanded reserve program. We do hope, however, that in selecting sites you will not be unmindful of the feelings of the community and particularly of the reasonable and understandable views of the residents in the area of the proposed location.
>
> Sincerely yours,
>
> WILLIAM L. DILL, Jr.

These, gentlemen, are the facts.

I think the implication of what it can mean to each and every one of us if the Army is allowed to break its word to a Member of Congress is clear.

A COMBINED FARM CONSERVATION-CIVIL DEFENSE PROGRAM

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have this week introduced H. R. 8914, entitled the "Farm Conservation Civil Defense Act of

1956." The bill seeks to join together what are too often considered as compartmentalized and isolated goals—maintaining the income of the family-sized farmer, revitalizing the conservation program, and a foresighted civil defense program. The bill would enlist the farmers' efforts in support of these goals.

Plainly, our farm program, our conservation program, and our civil defense program are in trouble.

THREE PROGRAMS IN TROUBLE

The American family farmer is faced with a lowering of his income which threatens his very survival. The farmers' net income is now running at the rate of $10.5 billion a year, as compared to $16.7 billion in 1948. Surpluses in storage are at an all-time high.

Second, our natural resources of soil, water, vegetation, and wildlife are being depleted at an alarming rate. The depletion is being accelerated by the farm crisis, which is forcing farmers to mine their resources to expand production in order to maintain their income. The process of draining wetlands, cultivating up to the fence line to the destruction of wildlife, allowing cattle to graze in the woodlot, and slighting soil-building practices goes on and on. And as our resources diminish, the demand for them grows. The number of city dwellers who yearn for outdoor recreation increases, and so does the leisure time available to them. Urbanization and automation mean that the demand for woods and streams and wildlife endlessly expands.

Third, an essential element in any civil defense plan—the evacuation of city people to the countryside—is being very largely ignored. If there is an operational plan in existence in the hinterland of any American city whereby specific farm families have agreed to house specific numbers of city evacuees, I am unaware of it. The plain fact is that, if a civil defense emergency comes, we are unprepared for it.

Under H. R. 8914, the Secretary of Agriculture would determine annually how many acres, on a National, State, county, and individual farm basis, should be retired from current production in order to bring production into line with the current needs of domestic and foreign consumers and of a reasonable food and fiber reserve. A farmer who voluntarily participates in the conservation-civil defense acreage program would be paid the parity price for the commodities that would otherwise be produced on these nonproducing acres, in return for his dedicating this acreage, to the extent applicable to his farm, to the following conservation-civil defense precepts:

TEN CONSERVATION-CIVIL DEFENSE PRECEPTS

First. Grassland: Establishing or maintaining grass or legume-grass cover for soil or watershed protection.

Second. Flood and erosion-control structures: Establishing or maintaining sod waterways, diversion ditches, or farm ponds to dispose of excess surface water without causing erosion and so as to reduce flood hazards.

Third. Terracing: Establishing or maintaining terraces to slow the flow of water on sloping land.

Fourth. Contour stripcropping: Establishing or maintaining contour stripcropping to prevent water erosion.

Fifth. Wind stripcropping: Establishing or maintaining wind stripcropping to prevent wind erosion.

Sixth. Vegetation: Establishing or maintaining tree or shrub plantations for windbreaks, shelter belts, fence rows, streambanks, wildlife cover and feed, or farm woodlots—for such purposes as erosion control, watershed and water-table protection, production of timber and pulpwood on a sustained yield basis, and fish and wildlife improvement.

Seventh. Fencing livestock: Establishing and maintaining fences to prevent livestock from trampling down streambanks, from damaging natural springs and from grazing in woodlots.

Eighth. Wetlands: Flooding, reflooding, or refraining from draining low areas which are suitable for nesting and resting for waterfowl and for supporting fur-bearing animals.

Ninth. Public access: Giving limited access to the public, under reasonable regulations, for hunting, fishing, bird-watching, camping, and picnicking.

Tenth. Civil defense: Providing civil defense standby facilities for housing and feeding evacuees from the cities.

THE FAMILY-SIZED FARMER

The Secretary of Agriculture may specify additional conservation and civil defense practices to be incorporated in the annual agreement. The Secretary is responsible for insuring that the operator refrain from using the diverted acreage for grazing or for the production of any agricultural commodity. There is a provision for cost-sharing of the materials and labor required to establish approved conservation or civil defense practices. In order to restrict benefits of the program to the family-sized farmer, the maximum amount payable in any 1 year to any 1 farmer, as compensation for dedicating his land to a conservation-civil defense purpose, is $2,000. In addition, the Government may share in the cost of establishing specific practices, such as fences and tree-planting, up to a maximum of $1,000.

In practice, administration of H. R. 8914 would be in the hands of local committees, like the existing soil-conservation committees, familiar with local farming and with local conservation and civil-defense needs.

The proposed farm-conservation-civil defense program is not, of course, a substitute for other farm legislation. It is designed to supplement farm legislation aimed at supporting farmers' income—whether by price supports or production payments—and at expanding markets by some type of food-stamp plan and by a vigorous export drive.

"THE HIGHEST USE"

H. R. 8914 is intended not as a package solution to the farm problem but as an effort to recognize that the farm problem, the conservation problem, and the civil-defense problem, are at heart the problem of finding the highest use of our natural resources. H. R. 8914 recognizes that the highest land use is not the continued overproduction of unneeded farm commodities, but the provision of values needed by all Americans. Conservation, recreation, and civil defense are important to the sound multiple use of our countryside. Providing them is a national responsibility that should not be charged solely to the farmer.

Unlike the present agricultural conservation program, and various soil-bank proposals, H. R. 8914 starts with a concept of conservation that includes all our resources—soil, water, woods, and wildlife—as of interest to all Americans, rather than as something having to do principally with just soil and affecting mainly farmers.

The operation of the farm-conservation–civil-defense program can best be envisaged by applying it to a specific farmer. Specifics, of course, will vary with the region. What will be applicable to the plains of the West will not suit the hills of New England. But let me take, just as an example, what might be a farm in my own State of Wisconsin.

A TYPICAL EXAMPLE

Farmer Brown has a 160-acre family dairy farm, of which 90 acres are in corn and small grains, 40 in pasture, 10 in woodlot, and 20 in marsh. Farmer Brown's attempt to maintain his income in the face of falling milk prices has caused him to plow steep-sloping land across the contour, to let his cows trample down the bank of the trout stream that runs through the south forty and graze in his woodlot, and to cultivate right up to his fence line. He is planning to drain the marsh for additional pastureland. Having heard the Secretary of Agriculture make speeches recently blaming the farm problem on city workingmen, Farmer Brown has lately taken to shooing off hunters and picnickers from the city, whom he used to welcome as long as they respected his property. Although he realizes that the countryside is the only place to which city people could be evacuated in case of a national emergency, he feels out of touch with the civil-defense program.

If Farmer Brown decides to participate in the farm conservation-civil defense program, he will be eligible for payments based on the number of acres he devotes to the program. Let us suppose his maximum allotment is 35 acres, and that he takes that maximum—15 in marshland (that portion which might profitably have been drained), 10 in woodlot, 9 in land diverted from corn production to grasslands, stripcropping, wildlife cover and feed, and one-half acre each devoted to civil-defense housing facilities, and to a picnic and camping place. For this diversion, Farmer Brown will be paid a sum computed by taking the parity price, less adjustments, for the milk or livestock or corn or whatever that could have been produced on that acreage, with a maximum in any case of $2,000, plus cost-sharing on any specific conservation practices that are established, such as building a fence around the woodlot and the stream, planting trees and game food, and stockpiling food for evacuees.

The acres diverted from grain into grass can furnish nesting sites for prairie chicken. Tree planting will encourage deer by giving cover. Ducks can nest in the marsh. Rabbits can find cover in

the brush along the fence line. Fencing the stream banks will prevent their being trampled down.

I have discussed the kind of program envisaged by the farm conservation-civil defense bill with a number of conservation, civil defense, and farm leaders.

COMMENTS FROM CONSERVATIONISTS

Among comments received from leading conservationists are the following:

Lou Klewer, Toledo, Ohio, president of the Outdoor Writers Association of America, writes on November 2, 1955:

The conservation practices you outline in your program can only meet with the heartfelt approval of outdoor writers throughout the Nation, all of whom are vitally interested in seeing that we have a better out-of-doors, less soil erosion, restoration of more of our wetlands, more planting of game cover and feed, and more accessibility to the nonfarm dwellers for hunting, fishing, bird watching, nature hikes, and general outdoors recreation.

Urging the farmer to help restore soil, water, forests, and vegetation and wildlife, along with a civil-defense program as well as an aid in solving the farm problem, should get your program a lot of support. I feel sure that all members of this organization will support intensely the conservation features of your program.

C. R. Gutermuth, Washington, D. C., secretary of the North American Wildlife Foundation, writes on October 25, 1955:

We have been delighted to observe that you have taken a keen interest in conservation, and it is hoped that you will call upon us whenever we can be of assistance.

While we do not feel competent to judge the farm and civil defense phases of your combined program, we wish to commend the conservation aspects of the proposal. The members of the foundation wish to compliment you on the four segments of your conservation program and can assure you that those measures would have widespread public support.

Les Woerpel, Stevens Point, executive secretary of the Wisconsin Federation of Conservation Clubs, writes, on October 31, 1955:

Personally, I think you are on the right track. The subsidy-payment program is actually the biggest steal from both the farmer and the public that could be devised. It takes the farmer's farm away from him by encouraging mining the soil, and it not only charges the public twice for farm commodities, but deprives it of the benefits of recreation in the out of doors by destruction of such areas as might be suitable to carry wildlife and be available for other recreational purposes.

If such a program could be worked out we would back it a hundred percent. It is a bold step at a time when many farmers are crying for more rigid supports and more help. Unless the problem is solved we stand the chance of not only bankrupting our lands, but possibly bankrupting our farmers as well as our middle-class workingman.

Ralph H. Musser, Washington, D. C., Southeast field representative for the United States Department of Agriculture Soil Conservation Service, writes, on November 10, 1955:

Personally, I am pleased to see the stress placed on the conservation of our natural resources, particularly soil, water, forestry, and wildlife.

H. Wayne Pritchard, Des Moines, Iowa, executive secretary of the Soil Conservation Society of America, writes, on November 23, 1955:

Your proposal to combine conservation and a farm program with a civil defense program is a new approach to the total problem that needs to be accomplished. I was very much interested in reviewing it and will follow with interest the reception it receives in the Department of Agriculture, the Department of the Interior, and from the Administrator of Civil Defense.

As you know, the problem of conservation is a complicated one, and one in which we need to use many incentives because the urban citizen is dependent upon those who manage the agricultural land. This dependency will increase as our population grows.

Ira N. Gabrielson, Washington, D. C., president of Wildlife Institute, writes on November 23, 1955:

Being a conservationist, rather than an agriculturalist, I approve most heartily of your idea of utilizing land that is taken out of agricultural production for conservation purposes, either to protect soil and water resources or to provide forestry or wildlife restoration programs, or a combination of all three.

Many years ago, when the old Agricultural Adjustment Administration was first established, provision was made for paying farmers for planting and maintaining woodlots, including keeping cattle out of the enclosures, and for planting certain wildlife food plants in areas that needed to be put in permanent vegetation. Unfortunately, too few farmers took advantage of this, and the plan had one defect in that a farmer could get the subsidy payments for planting such material and then plow them up the next year, since the payments for maintaining the plantings were entirely too low.

If we must subsidize farmers, I certainly would favor subsidizing them in some way that would improve the building of the soils and the conserving of the resources of soil and water and their products, rather than paying them, as we are now doing, to deplete the soils by overproducing crops for which there are no markets. I certainly hope the Congress in considering any bill for changing the agricultural program will come up with something along the line of your suggestions.

John M. Olin, East Alton, Ill., chairman of the board of Olin Mathieson Chemical Co., writes on November 18, 1955:

I certainly agree with you that any program to conserve the soil, water, forestry and vegetation, and wildlife of this country is essential to the future welfare of our Nation.

With this part of your proposal, with which I am personally familiar, I most certainly agree in principle. When all farmers become conservation conscious, we will have accomplished an important step in preserving the birthright of future generations of Americans.

Charles H. Stoddard, Minneapolis, Minn., executive director of Independent Timber Farmers of America, writes on November 17, 1955:

I have read over your farm-conservation plan and impressed by the breadth and practical soundness which it seems to have. As in all ideas the filling in of the painful details becomes quite a task. Nevertheless it seems to have a definite practicability at this time now that the administration is giving consideration to the soil-rent proposal. The danger in this plan is that it will simply take acres out of cash crop production but will fail to provide for conservation practices other than those now under the agricultural conservation program.

It would seem to me that the real opportunity for your program would be to urge an amendment to whatever basic new legislation develops to provide for specific payments for specific practices such as you outline giving extra credits over and above the straight soil-rent program for such practices.

CIVIL DEFENSE COMMENTS

Among comments received from civil defense authorities, George W. Carnachan, Milwaukee County civil defense coordinator, writes on October 24, 1955:

I believe that your program has many interesting possibilities. In working with the counties which are substantially rural outside of the County of Milwaukee, I find that there is considerable apathy on the part of the rural population, chiefly because of the fact that they do not realize that their economy, their social life, and their very existence is so solidly tied in with that of the cities, that they are inclined to look on the necessity for a civil defense organization as a rather abstract and remote thing. What they do not realize is that if the cities were bombed their markets would immediately be gone, their power would probably be shut off, their sources of supply, which are chiefly located within the cities, would be completely negated, and that they would, after their present stock of supplies and equipment was exhausted, be back on a stone-age economy. It has been well put "that if the cities were bombed and would die as a result of such bombing, the rural districts would die also—they would just die slower."

I would like, at this time, to suggest that you could perform a genuine service to the country as a whole if you could find some practical means of bringing the farm program into the civil defense program. After studying your program I would like to suggest that each farmer could execute a commitment to the effect that he would participate in a civil-defense organization on an active basis; that he would engage to shelter a certain number of persons up to his optimum capacity, and further that he would agree to increase his reserve of supplies, food, and equipment to the point necessary to support these people on a subsistence basis for an intermediate period of time. In return for this, he could be brought under a subsidy basis on a parity agreement for whatever his farm produced. This would, in effect, operate to create a multitude of small reserve stocks of food, supplies and equipment and might be termed a decentralized stockpiling program. I think this would be a practical thing, very much in line with your program and would have the happy effect of bringing the farm economy in line with that of industry, and at the same time creating a necessary backlog of food and shelter. While there are undoubtedly many differences which would arise in the development of such a program, I think that your basic idea is sound, practicable, and workable.

Brig. Gen. Don E. Carleton, director of Milwaukee Civil Defense Administration, writes on December 13, 1955:

I have long been at a loss to understand why some such plan as the one you propose has not been worked out as an answer to the very difficult farm support problem. It has been so obvious for these many years that our price-support program has failed to accomplish its mission and has cost the taxpayer double in money and the Government in grief to what out-and-out conservation programs would have cost.

Obviously it has never been understood by our people that the ownership of real estate is a privilege and not a right and that man has an obligation to posterity to pass along the good earth in the same or better condition than that in which he found it. We

seemed to have reached a glimmer of understanding of this in our reforestation projects but as far as land in general is concerned, the theory of the maximum exploitation for the greatest benefit now, with no responsibility for the future, still persists. It is certainly true that had the billions of dollars spent in price supports, been paid as outright grants for conservation practices, a very noticeable and delightful change in our entire countryside would have resulted by this time. I am thinking of the countryside in Bavaria where I spent some time following the war. Here they have carefully tended forests and streams, and the banks of every little brook and stream are revetted with rock to prevent erosion. Now every stream abounds with fish of carefully selected varieties and the forests with game. We certainly have a lot to learn about the care and development of God's good earth which has been given into our charge for such a short time.

Of course, man has a right to make a living and there is no question but that the living he makes should be kept in some sort of economic balance in relation to his production efficiency. However, there is an element that has never been considered as far as our farmers are concerned, which is, how much does he contribute to the lasting good of the area. This is an element in the success of an individual in urban areas, industry, politics, or professions but it does not seem to have affected the farmer. Civil defensewise the farmer of the future will have to shoulder a tremendous responsibility and one that will perhaps be very distasteful to him. However, if he is willing to accept this and willing to carry out civil defense work that needs to be done, there is no reason why he should not receive compensation for his efforts. Certainly it is preferable to pay him for doing these things, than to pay him for raising food and other commodities that are not needed and then to pay again for the storage of these commodities.

We are starting a survey here in a very short time under the auspices of the Federal Civil Defense Administration which will include at least 11 countries and probably more surrounding Milwaukee. This survey will include such subjects as the capabilities of the area to provide for the reception and care of evacuees from the metropolitan area, the resources now existent, possibility of shelter, and the education and training necessary to make such a program possible. I sincerely believe that there is a definite tie-in of all this with the suggestions you have made in your proposal. In the field of public relations alone the situation has been allowed to drift to the point where at present the attitude of the farm population in Wisconsin borders on hostility toward the city dweller. This is most noticeable in articles written in their local papers, as well as in the general attitude of the State legislature which is predominantly rural. I have worried about this for some time and hoped that some means could be found to solve the problem. Certainly the urban population is dependent on the farm and the farm areas are also dependent on the city, in more ways than either of them have ever realized.

Be assured that I agree with your idea 100 percent and I sincerely hope and pray that we will be able to find some means of implementing it.

On the other hand, Federal Civil Defense Administrator Val Peterson writes on January 13, 1956:

May I say at once that I agree on the necessity for a sound, long-term solution to the farm problem. However, I am reluctantly brought to the conclusion that it is not to be found in the device of making incentive payments for participation in civil defense. The reasons leading to this conclusion are:

A long-range solution to the problem of farm income maintenance must necessarily depend upon an economic base. The necessity for civil defense depends on a base of the possibility and likelihood of military attack. That is to say, the needs for farm income maintenance, on the one hand, and for civil defense on the other, do not have a common base. Consequently, it is possible that these needs may vary independently of each other—leaving the Government the dilemma, at a future time, of choosing whether to continue payments no longer needed for the economic situation, but needed for civil defense—or the opposite.

In a broader frame, the sense of the Federal Civil Defense Act of 1950 (Public Law 920, 81st Cong.) is that service is primarily on a volunteer basis. We would have no basis to resist demands from other sections or elements of the community, such as organized labor, professional people such as doctors, or the teachers in our schools, for similar payment for essentially identical service, were we to start making incentive payments to farmers for participation in civil defense. I hope that you will agree with this thinking.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FOUNTAIN (at the request of Mr. ALEXANDER), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SHEEHAN, for 15 minutes on Monday next.

Mr. HESELTON, for 30 minutes today.

Mr. MULTER, for 1 hour on Wednesday next.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to vacate the special order granted me for today and that on Monday next I may address the House for 60 minutes.

The SPEAKER. Is there objection?

There was no objection.

SPECIAL ORDER VACATED

Mr. PERKINS asked and was given permission to vacate the special order granted him for today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FRIEDEL.

Mr. GORDON and to include articles.

Mr. BYRD.

Mr. BEAMER in two instances and to include extraneous matter.

Mr. PELLY in six instances and in two to include extraneous matter.

Mr. CANFIELD (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. WILLIS and to include extraneous matter.

Mr. ASHLEY.

Mr. DAVIS of Georgia and to include extraneous matter.

Mr. DONOHUE and to include extraneous matter.

Mr. GWINN and to include extraneous matter.

Mr. PHILBIN in three instances and to include extraneous matter.

Mr. BOLAND in two instances and to include extraneous matter.

Mr. WOLVERTON.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 7871. An act to amend the Small Business Act of 1953.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Thursday, February 2, 1956, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1455. A letter from the Administrator, General Services Administration, transmitting the annual report on administration of functions for the fiscal year ending June 30, 1955, pursuant to the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

1456. A letter from the Chairman, Interstate Commerce Commission, transmitting copies of final valuations of properties of certain carriers, pursuant to section 19a of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1457. A letter from the Chairman, Interstate Commerce Commission, transmitting the 69th Annual Report of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

1458. A communication from the President of the United States, transmitting a report submitted by the Postmaster General, reviewing major activities of the Post Office Department and offering proposals for modernization and improvement of operations and the postal rate structure; to the Committee on Post Office and Civil Service.

1459. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the administrative expense authorization of the Commodity Credit Corporation for the fiscal year 1956 has been reapportioned on a basis which indicates a necessity for a supplemental estimate of administrative expense authorization, pursuant to paragraph 2 of subsection (e) of section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

1460. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report on the operations of Bureau of the Budget Circular No. A-45 upon departments, agencies, and corporations of the Government, pursuant to section 208 of the General Government Matters Appropriation Act, 1956; to the Committee on Appropriations.

1461. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize the Secretary of the Interior to con-

tract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands"; to the Committee on Interior and Insular Affairs.

1462. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize the County of Custer, State of Montana, to convey certain lands to the United States"; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TRIMBLE: Committee on Rules. House Resolution 394. Resolution for consideration of S. 926, an act to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, California; without amendment (Rept. No. 1737). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 395. Resolution for consideration of H. R. 8704, a bill to extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955; without amendment (Rept. No. 1738). 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. FEIGHAN: Committee on the Judiciary. S. 97. An act for the relief of Barbara D. Colthurst; with amendment (Rept. No. 1734). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 213. An act for the relief of Mrs. Ingeborg C. Karde; with amendment (Rept. No. 1735). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 315. An act for the relief of Asher Ezrachi; with amendment (Rept. No. 1736). Referred to the Committee of the Whole House.

Mr. WILLIS: Committee on the Judiciary. H. R. 6421. A bill for the relief of certain individuals whose land was flooded by action of the Federal Government; with amendment (Rept. No. 1739). 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. BUCKLEY:

H. R. 8979. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. CELLER:

H. R. 8980. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. DOLLINGER:

H. R. 8981. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. KEOGH:

H. R. 8982. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. KLEIN:

H. R. 8983. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. POWELL:

H. R. 8984. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. ZELENKO:

H. R. 8985. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. BAILEY:

H. R. 8986. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

By Mr. DAVIS of Tennessee:

H. R. 8987. A bill declaring September 17 a legal public holiday to be known as Constitution Day; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 8988. A bill to clarify the authority of the Commissioners of the District of Columbia with respect to the discipline of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. DINGELL:

H. R. 8989. A bill to protect the right of individuals to be free from discrimination or segregation by reason of race, color, religion, or national origin; to the Committee on the Judiciary.

H. R. 8990. A bill to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes; to the Committee on the Judiciary.

H. R. 8991. A bill making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on House Administration.

H. R. 8992. A bill to prohibit discrimination in employment because of race, color, religion, national origin, or ancestry; to the Committee on Education and Labor.

By Mr. HIESTAND:

H. R. 8993. A bill to establish an immediate program to aid in reducing the public debt by providing that certain receipts from the sale of capital assets of the Government shall be used for such purposes; to the Committee on Ways and Means.

By Mr. KEARNEY:

H. R. 8994. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

By Mr. McDONOUGH:

H. R. 8995. A bill to amend the act of September 1, 1954, to correct certain inequities with respect to the compensation of prevailing wage-rate employees, to provide longevity compensation for such employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MINSHALL:

H. R. 8996. A bill to encourage construction and maintenance of modern Great Lakes bulk cargo vessels in the interest of peacetime commerce and the national defense; to the Committee on Merchant Marine and Fisheries.

By Mr. PELLY:

H. R. 8997. A bill to amend the Merchant Marine Act, 1936, to provide for the transportation of all waterborne cargoes in United States-flag vessels in connection with foreign assistance programs; to the Committee on Merchant Marine and Fisheries.

By Mr. ROOSEVELT:

H. R. 8998. A bill to provide for loans to enable needy and scholastically qualified students to continue posthigh school education; to the Committee on Education and Labor.

By Mr. THOMPSON of Louisiana:

H. R. 8999. A bill authorizing a comprehensive project for control and progressive eradication of obnoxious acquatic plant growths from navigable waters; to the Committee on Public Works.

By Mr. WEAVER:

H. R. 9000. A bill to partially recompense farmers for the harm they sustain by reason of increases in the cost of supplies, services, and equipment they must buy which have not been accompanied by corresponding increases in the prices of the agricultural commodities they sell; to the Committee on Ways and Means.

By Mr. WILLIS:

H. R. 9001. A bill authorizing a comprehensive project for control and progressive eradication of obnoxious aquatic plant growths from navigable waters; to the Committee on Public Works.

By Mr. BARTLETT:

H. R. 9002. A bill to amend section 1 of the act of March 12, 1914, as amended; to the Committee on Interior and Insular Affairs.

By Mr. BOLAND:

H. R. 9003. A bill to provide for national disaster insurance; to the Committee on Banking and Currency.

By Mr. ELLIOTT:

H. R. 9004. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRIFFITHS:

H. R. 9005. A bill to authorize the Public Housing Commissioner to enter into agreements with local public housing authorities for the admission of elderly persons to federally assisted low-rent housing projects; to the Committee on Banking and Currency.

By Mr. HAYWORTH:

H. R. 9006. A bill to amend the Federal Food, Drug, and Cosmetic Act, so as to prohibit the movement in interstate or foreign commerce of unsound, unhealthful, diseased, unwholesome or adulterated poultry or poultry products; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLTZMAN:

H. R. 9007. A bill to establish within the Department of Defense a civilian department to be known as the Department of Civil Defense, and for other purposes; to the Committee on Armed Services.

By Mr. KEARNS:

H. R. 9008. A bill to encourage construction and maintenance of modern Great Lakes bulk cargo vessels in the interest of peacetime commerce and the national defense; to the Committee on Merchant Marine and Fisheries.

By Mr. LANE:

H. R. 9009. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. LANHAM:

H. R. 9010. A bill to amend the Agricultural Act of 1949, as amended, and the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. OSTERTAG:

H. R. 9011. A bill to amend the Agricultural Adjustment Act of 1938 to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes; to the Committee on Agriculture.

H. R. 9012. A bill to amend the Cooperative Forest Management Act; to the Committee on Agriculture.

By Mr. PRIEST (by request):

H. R. 9013. A bill to provide a 5-year program of Federal construction grants for the purpose of assisting medical and dental schools to expand and improve their research and teaching facilities, and of assisting other public and nonprofit institutions engaged in medical or dental research to expand and improve their research facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLVERTON:

H. R. 9014. A bill to provide a 5-year program of Federal construction grants for the purpose of assisting medical and dental schools to expand and improve their research and teaching facilities, and of assisting other public and nonprofit institutions engaged in medical or dental research to expand and improve their research facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RABAUT:

H. R. 9015. A bill to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mr. WOLVERTON:

H. R. 9016. A bill to provide for a continuing survey and special studies of sickness and disability in the United States, and for periodic reports of the results thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 9017. A bill to extend for 2 years the duration of the hospital and medical facilities survey and construction provisions (title VI) of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BAILEY:

H. J. Res. 504. Joint Resolution to provide for the observance and commemoration of the 50th anniversary of the official founding and launching of the conservation movement for the protection, in the public interest, of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H. J. Res. 505. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to confer certain additional powers upon the Interstate Sanitation Commission, established by said States pursuant to Public Resolution 62, 74th Congress, August 27, 1935; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H. J. Res. 506. Joint resolution to provide for the observance and commemoration of the 50th anniversary of the founding and launching of the conservation movement for the preservation of the natural resources of the United States; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. J. Res. 507. Joint resolution relating to burley tobacco acreage allotments and marketing quotas; to the Committee on Agriculture.

By Mr. YATES:

H. Res. 396. Resolution disapproving the sale of the Institute, W. Va., Copolymer Plant, Plancor 980; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of West Virginia, memorializing the President and the Congress of the United States to reject the disapproval resolution on the sale of the Institute plant, now pending before it, etc.; 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. ADDONIZIO:

H. R. 9018. A bill for the relief of Charles Blasi; to the Committee on the Judiciary.

By Mr. BALDWIN:

H. R. 9019. A bill for the relief of Andoquio B. Bunayog; to the Committee on the Judiciary.

By Mr. BLATNIK:

H. R. 9020. A bill for the relief of Toini Margareta Heino; to the Committee on the Judiciary.

By Mr. DAVIDSON:

H. R. 9021. A bill for the relief of Mrs. Feiga Altmann Rock; to the Committee on the Judiciary.

H. R. 9022. A bill for the relief of Mrs. Pierrette Marie-Rose Valery Chiarelli; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H. R. 9023. A bill for the relief of Aleksander Dabrowski; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H. R. 9024. A bill for the relief of Panayota Persantzis; to the Committee on the Judiciary.

H. R. 9025. A bill for the relief of Giuseppa Zinna; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 9026. A bill for the relief of Nora Lyons; to the Committee on the Judiciary.

By Mr. PROUTY:

H. R. 9027. A bill for the relief of Sok Nam Ko; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 9028. A bill for the relief of Fred G. Nagle Co.; to the Committee on the Judiciary.

By Mr. SMITH of Kansas:

H. R. 9029. A bill for the relief of John L. Hughes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

469. By Mr. BRAY: Petition of 23 persons of Greene County, Ind., in support of H. R. 4627, a bill to prohibit the transportation in interstate commerce of alcoholic beverage advertising; to the Committee on Interstate and Foreign Commerce.

470. Also, petition of 123 persons of Greene County, Ind., in support of H. R. 4627, a bill to prohibit the transportation in interstate commerce of alcoholic beverage advertising; to the Committee on Interstate and Foreign Commerce.

471. Also, petition of 197 persons of Daviess County, Ind., in support of H. R. 4627, a bill to prohibit the transportation in interstate commerce of alcoholic beverage advertising; to the Committee on Interstate and Foreign Commerce.

472. By Mr. NORBLAD: Petition of Ada E. Cummings, and 13 other citizens, of Corvallis, Oreg., urging enactment of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

473. By Mr. SHORT: Petition of Fred King, and other citizens, from Barry County, Mo., urging the adoption of H. R. 4471 as an amendment to the Social Security Act in place of the present program of old-age and survivors insurance and old-age assistance; to the Committee on Ways and Means.

474. By the SPEAKER: Petition of the deputy clerk of the Board of Supervisors of Erie County, Buffalo, N. Y., requesting that the Congress oppose the Harris-Fulbright natural-gas bill, which would ultimately cause an undue burden upon the taxpayer; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Ukrainian Independence

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PHILBIN. Mr. Speaker, this year marks the 38th anniversary of the declaration of the independence of the Ukraine and I wish to join my distinguished colleagues in the House in their recent salutation to the gallant people of the Ukraine.

The Iron Curtain is drawn across the afflicted Ukrainian nation. Its people are shut off from the rest of the free world, but let us work and pray for the day when tyranny, oppression and persecution will be banished from the Ukraine and the other enslaved nations still in Red bondage.

The glorious history of the Ukraine is one of struggle and sacrifice to maintain its precious freedom from the old Ukrainian Kievan state of the ninth century to the Ukrainian National republic of 1917. It was in 1920 that the Ukraine became one of the first victims of Soviet imperialism, but despite the destruction of its national church, famine, mass murder, purges and banishment of its citizens, the ruthless extermination of its natural resources, the Ukraine has remained a symbol of the hope and burning fervor of a people destined to be free and independent.

The Ukrainian people have fought and died to preserve their freedom. The fight goes on today to regain their independence and free way of life. While oppression again stalks this nation of more than 40 million people, the largest non-Russian nation behind the Iron Curtain, the lamp of freedom still burns in the hearts of its people. It will not be extinguished and will blaze again, proudly and fiercely, when the great goal of liberation has been won.

In this great struggle of the Ukrainian people, our own Nation must continue to encourage and assist the gallant and brave Ukraine to regain its independence. Let us help to speed the day when the Ukraine will again enjoy the fruits and blessings of freedom.

Address by Hon. Joseph W. Martin, Jr., of Massachusetts, Before the Young Republican Leadership School

EXTENSION OF REMARKS

OF

HON. JOHN V. BEAMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. BEAMER. Mr. Speaker, under unanimous consent, I wish to insert in the CONGRESSIONAL RECORD the speech by the Honorable JOSEPH W. MARTIN, JR., of Massachusetts, before the Young Republican Leadership Training School which was held here in Washington during the week of January 23 through January 27:

The Republican Party was born midway in the 19th century out of the great need in our young Nation for a national party dedicated to the protection of basic human rights and the American way of free Government and free enterprise.

Over 100 years ago on February 28, 1854, a group of Whigs, Free-Soilers and Democrats met in the Congregational Church in Ripon, Wis. This group agreed that individually each would sever his present party affiliations if Congress violated the principles of basic human rights by approving the Kansas-Nebraska bill. This measure would have permitted the extension of slavery into new territories.

After the Kansas-Nebraska bill received Senate approval on March 3, 1854, a second meeting was called for March 20, 1854. This time 53 of the town's 100 eligible voters met in the Ripon schoolhouse and a committee was appointed to start the new Republican Party.

In the words of Maj. Alvan E. Bovay, a prominent Whig who called the meeting: "We went into the little meeting held in a schoolhouse, Whigs, Free-Soilers, and Democrats; we came out of it Republicans and we were the first Republicans in the Union."

On May 9, 1854, a meeting was called in Washington by Representative Israel Washburn, Jr., of Maine, and the 30 Members of Congress who attended this meeting decided that there was a need for such a new political party and that the name Republican would be highly appropriate.

The principles of the new Republican Party won immediate support throughout the country and on July 6, 1854, only 4 months after the first meeting in Ripon, Wis., the first Republican convention was held under the oaks at Jackson, Mich., to formalize the party organization. This meeting attracted several hundred persons including a large number from other cities.

This first convention outlined the basic philosophy of the new Republican Party and adopted a resolution which read:

"*Resolved*, That * * * in view of the necessity of battling for the first principles of Republican government and against the schemes of an artistocracy, the most revolting and oppressive with which the earth was ever cursed or man debased, we will cooperate and be known as Republicans until the contest be terminated."

Since that time the Republican Party has continued its fight to protect the basic human rights and the principles of free enterprise and the essential dignity of man.

During the late winter and summer of 1854 Whigs, northern Democrats, and most of the supporters of the Free-Soil Party endorsed the principles of the Republican Party and Republican State tickets were elected in Michigan and Wisconsin in that year.

In 1855 the Nation's first Republican governor was elected in Ohio and 11 Republican Senators were sent to Washington.

The first formal national convention of the Republican Party was held at Philadelphia in 1856 and Gen. John C. Frémont was nominated for the Presidency on a platform opposing the extension of slavery, advocating improvement of rivers, harbors, and the building with Federal aid of a transcontinental railroad. The new party did not believe that the Federal Government should interfere with the peculiar institution of slavery already established in the South but felt that its spread to any additional territories should be prevented.

In spite of the newness of the Republican Party and its ineffective organization in many eastern States, Presidential Candidate Frémont received 114 electoral votes against 174 for James Buchanan, Democrat.

The new Republican Party had gained sufficient strength by 1858 to elect a plurality in the House of Representatives and to carry several State governments.

In 1860, only 6 short years after the birth of the Republican Party, it elected to the Presidency of the first Republican President, and one of the greatest men in history, Abraham Lincoln, of Illinois.

Lincoln ran on a platform similar to that of 1856, advocating also a homestead law and a protective tariff. In this election Lincoln polled 180 electoral votes.

Lincoln's great faith in the individual and in the American way of free government and free enterprise laid the foundation for the Republican Party's constant devotion to those principles. Lincoln's deep concern for the humble individual is legendary and the Republican Party has ever since held this as a basic philosophy.

From Lincoln, the party also learned the importance of free enterprise, to protect the fruits of labor and to combat a fixed-class system. Every citizen, however lowly his start in life, should be guaranteed the right of a proper reward for his efforts, his thrift, and his ingenuity.

These were the philosophies on which the Republican Party gained its sound beginning during a great trial in the Nation's history. These are the same basic philosophies of the Republican Party today.

Although the Lincoln administration was overshadowed by the Civil War, which had broken out before Lincoln took the oath of office, there were other accomplishments important to the individual man brought about during the administration of this first Republican President.

In 1862, on Lincoln's suggestion, Congress established the Department of Agriculture, passed the first Homestead Act, established the national banking system and passed the first Morrill Act, donating land for agricultural and mechanical arts colleges.

In 1864 Lincoln was renominated by the Republicans in convention in Baltimore. At that time, however, there were other political factions who wished also to share the Republican Party principles and a Union ticket was formed with a Union Democrat from Tennessee, Andrew Johnson, named as Lincoln's runningmate. The Lincoln-Johnson ticket easily defeated the Democrats in this election. Winning by 212 to 21 electoral votes.

On April 14, 1865, Abraham Lincoln was assassinated and new burdens fell on the shoulders of Andrew Johnson, whose former status as a Democrat proved a severe handicap in his sincere efforts to carry out the Lincoln program. Attempting to follow Lincoln's proposals in the reconstruction of the South, Johnson ran into a bitter feud with Congress who wanted to use harsh methods of punishment contrary to the Republican principles Lincoln had laid down. The feud grew so bitter that President Johnson in February of 1868 was impeached and almost removed from office.

In 1868 Gen. Ulysses S. Grant, of Illinois, was the Republican nominee and was elected by an electoral vote of 214 to 80. During Grant's first administration a number of constructive moves were taken to guarantee the basic human rights of all Americans as the founders of the Republican Party had envisioned them.

Against the opposition of the Democrats, laws were passed for the enforcement of the rights guaranteed to Negroes in the 14th and 15th amendments. In 1871 the first civil-service law was passed.

In the election of 1872 Grant was enthusiastically endorsed by the public and returned to office with a popular majority three times as great as in 1868. He received 272 to 63 for the opposition.

In reviewing the Republican Party's record during its first 14 years in office, Senator George F. Hoar, of Massachusetts, in 1874 called attention to the following accomplishments:

"In 14 years it enacted a protective tariff which made the United States the greatest manufacturing Nation on earth; it enlisted, organized and sent back to civil life a vast army; it created a great navy, constructed on principles not invented when it came into power; it put down a gigantic rebellion; it made freemen and citizens of 4 million slaves; it contrived the national banking system; it created a currency which circulates throughout the world on an equality with gold; it made the credit of the country the best in the world; it restored specie payment; it devised and inaugurated the beneficent homestead system; it built the Pacific railroads; it compelled France to depart from Mexico; it exacted apology and reparation from Great Britain; it overthrew the doctrine of perpetual allegiance and required the great powers of Europe hereafter to let our adopted citizens alone; it made honorable provisions for invalid soldiers and sailors. * * *"

In 1876 Grant was still enormously popular but the Republican Party refused to break with their long-standing tradition against perpetuation in office. When a Democrat Representative, William Springer, of Illinois, introduced in the House of Representatives his historical resolution condemning a third term for any President, 80 percent of the Republicans cast their votes for the resolution. Although the Democrat Party later reversed its stand on the principle in endorsing Franklin Roosevelt for a third term, the descendents of Representative Springer apparently found it easier to change party than to change principle for the present Representative WILLIAM SPRINGER, of Illinois, serves in the 84th Congress as a Republican.

Thus from humble beginnings the Republican Party grew and enjoyed a long and memorable history and a popular majority during the most expansive period of its development from 1861 to 1933.

For three-fourths of that period Republicans occupied the White House. They shaped governmental policy, encouraging development of the country's vast natural resources. They built up its defense; they created its national banking system; they established the world's soundest currency; they stabilized the Nation's credit and they formulated an economic policy which has

made the United States the first among the nations.

From its minority position in the Federal Government after 1933 the Republican Party remained true to its basic principles, cooperating in the development of constructive legislation and opposing the trend toward a regimented economy and a collectivist state.

In fact, in spite of their minority position Republicans made many outstanding contributions to national policy during these years. Included among these are:

The Federal Deposit Insurance Corporation.

Defeat of the attempt to pack the Supreme Court.

Exposing political corruption and racketeering and passage of the Hatch Act.

Sponsorship of a pay-as-you-go tax plan.

Leadership in the movement for United States participation in United Nations.

Protection of States rights.

Exposing inefficiency and waste in Government.

Fighting radical elements and trends in Federal Government.

Elimination of wartime controls in the postwar economy.

In 1946 the Nation elected the Republican 80th Congress, faced with the difficult task of reversing the New Deal trends of Government controls and regimentation and wasteful and unwise spending. These trends were undermining the American system of free government and burdening the American people with unprecedented tax loads.

In spite of the stubborn and deliberate opposition of a Democrat President the Republican 80th Congress fulfilled its pledges and made a record of solid legislative achievement including:

Reduction of Government expenditures.

Reduction of taxes.

A revision of the National Labor Relations Act to protect the individual workingman.

Curtailment of Government controls.

Exposure of subversive elements.

Strengthening of national defense.

Expansion of veterans' benefits.

Easing of Government housing controls.

Stopped inflationary deficit spending.

Adopted a long-range agriculture program.

Expanded social security.

Established the Hoover Commission to bring about efficiency and savings in Government.

As a minority group in the 81st Congress the Republican Party fought hard to preserve the constructive program it had initiated in the Republican 80th Congress.

Republicans in the 81st Congress concentrated their efforts on continuing the economy trend introduced in the 80th Congress and on defeating on every occasion the efforts of the Truman administration to foist socialism on this country.

In 1950 a statement of Republican principles and objectives was adopted supplementing the 1948 platform. This statement stressed the importance of Republican liberty as opposed to Democrat socialism. The return of the people to the principles of the Republican Party was displayed dramatically in the congressional elections that year and Republicans made gains of 5 Senators, 6 governors and 27 Members of the House.

The Democrat-controlled 82d Congress was noteworthy for its legislative inactivity. It was during that time, however, that President Truman fired General MacArthur; that RFC investigations disclosed influence peddling by persons close to the White House; and that Republicans continued their battle against nondefense spending.

In 1952 President Eisenhower and the Republican Party were swept into office by a landslide vote of 442 electoral votes.

Taking over the responsibilities of his administration on January 20, 1953, President Eisenhower spelled out Republican objectives in his state of the Union message on February 2. He said:

"The grand labor of this leadership will involve—application of America's influence in world affairs with such fortitude and such foresight that it will deter aggression and eventually secure peace;

"Establishment of a national administration of such integrity and such efficiency that its honor at home will insure respect abroad;

"Encouragement of those incentives that inspire creative initiative in our economy, so that its productivity may fortify freedom everywhere; and

"Dedication to the well-being of all our citizens and to the attainment of equality of opportunity for all, so that our Nation will ever act with the strength of unity in every task to which it is called."

To you who are leaders in the Young Republican organization I need not recount the great strides President Eisenhower and the Republican Party have made in the past 3 years in fulfilling these objectives. We have brought to the Nation peace; nowhere in the world are American soldiers dying in war. We have brought to the Nation prosperity; never have so many people been employed; never have their wages been so high. We have stopped wasteful Government spending; we have stopped inflation; we have stopped the infiltration of subversives in our high Government offices.

Today Americans are free, prosperous and at peace and they look toward the future with a new confidence because the principles of the Republican Party have been followed in our Federal Government.

In closing, let me say that to many Americans throughout the Nation, the initials GOP, symbol of the Republican Party, have come to mean also guardians of peace, guardians of prosperity and guardians of progress. With the help of such Republican leadership as I see in this room today we can continue these fine traditions of the Republican Party.

Financing of TVA

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1956

Mr. MARTIN of Pennsylvania. Mr. President, since becoming a member of the Senate I have been very much interested in public works as they relate to the various parts of our Nation. Recently there has come before the Public Works Committee a plan to issue bonds for the financing of TVA and its proposed expansion. I have had made a study and analysis of the various bills and proposals to finance the future expansion of TVA. I have also had prepared a statement showing the approximate amount paid toward the cost of TVA by the various States of the Union.

This study does not necessarily voice my own views.

The study so impressed me that I sent a copy to each member of the committee. Since that time I have had many requests for a copy of this study.

I have had an estimate made by the Government Printing Office, and I find that it will make 5¾ pages of the RECORD, at a cost of $460.

In view of the importance of this study, Mr. President, I ask unanimous consent that it may be printed in the CONGRESSIONAL RECORD.

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

Proportionate share of States in TVA appropriations of $1,950,000,000 (includes $45,000,000 of transfers of property from beginning) in fiscal year 1934 through fiscal year 1955

[Millions of dollars]

Alabama	$20.1
Arizona	7.6
Arkansas	11.1
California	170.5
Colorado	18.3
Connecticut	34.5
Delaware	9.0
Florida	27.5
Georgia	26.5
Idaho	5.6
Illinois	148.8
Indiana	45.8
Iowa	27.1
Kansas	20.9
Kentucky	21.2
Louisiana	22.0
Maine	8.0
Maryland	36.3
Massachusetts	65.3
Michigan	100.6
Minnesota	34.3
Mississippi	10.9
Missouri	51.3
Montana	6.4
Nebraska	15.8
Nevada	2.7
New Hampshire	5.5
New Jersey	66.9
New Mexico	5.9
New York	290.0
North Carolina	29.2
North Dakota	5.3
Ohio	118.4
Oklahoma	20.7
Oregon	19.3
Pennsylvania	145.3
Rhode Island	10.5
South Carolina	13.5
South Dakota	5.7
Tennessee	24.4
Texas	82.9
Utah	6.6
Vermont	3.3
Virginia	28.8
Washington	31.4
West Virginia	15.4
Wisconsin	40.2
Wyoming	3.3
District of Columbia and possessions	29.4
Total TVA appropriations, including transfers of property, fiscal year 1934 through fiscal year 1955	1,950.0

NOTE.—Proportionate shares borne by each State based on allocation of the Federal tax burden among the States and possessions as calculated by the Council of the State Chambers of Commerce and averaged for the fiscal years 1949 through 1956.

REVENUE BONDS FOR TVA

Proposals to finance the future expansion of TVA by means of revenue bonds are again before the Congress. The idea has considerable appeal to the public. It sounds good to the average citizen. It sounds like it will aid the taxpayer. It might remove the TVA from the political scene, and avoid the annual debate over appropriations for its expansion. It appears to be a self-liquidating step. These are advantages of considerable value to the public, and the idea might prevail because of them.

This memorandum is a factual analysis of the proposed legislation and its probable end results, with particular reference to its impact on the taxpayers, and is designed to promote further study of this important matter.

LEGISLATION BEFORE THE CONGRESS

Four bills have been introduced in the Congress providing, among other things, for the future financing of additions to TVA power facilities by the sale of revenue bonds. These bills are: S. 2373, June 29, 1955, Mr. KERR; H. R. 6575, May 31, 1955, Mr. DAVIS of Tennessee; H. R. 6576, May 31, 1955, Mr. JONES of Alabama; H. R. 6770, June 13, 1955, Mr. BUCKLEY (by request).

Hearings were held on the Kerr bill last summer by the Senate Subcommittee on Public Works, and it seems probable that it may receive prior consideration by the Congress. Therefore, these comments are primarily directed to the Kerr bill, but notes are appended explaining the differences between it and the other three bills.

The Senate bill introduced by Mr. KERR would repeal the last three paragraphs under the subtitle "Independent Agencies and Corporations" in title II of the Government Corporations Appropriations Act, 1948 (61 Stat. 576–577), and amend the present Tennessee Valley Authority Act by inserting a new section immediately after section 15c thereof (16 U. S. C., sec. 831n–3). In addition, the Kerr bill adds some language to paragraph 7 to section 5136 of the revised Statutes (12 U. S. C., sec. 24) which would make the proposed revenue bonds legal for investment purposes by national banks.

REPEAL PROVISIONS

The clauses of the Government Corporations Act, 1948, which the Kerr bill would repeal require TVA to repay to the United States Treasury a total of $348,239,240 over a term of years and in a specified manner.[1]

The $348,239,240 specifically stated in the Government Corporations Act was computed at the time the act was passed in the following manner:

Appropriations for power property through June 30, 1946	$287,771,841
Transfers of property from War Department	19,026,418
Bonds sold to Treasury and RFC	65,072,500
Total	371,870,759
Deduct payments already made, including bond retirements	23,631,519
Remainder to be returned	348,239,240

[1] "Not later than June 30, 1948 and not later than June 30 of each calendar year thereafter, until a total of $348,239,240 has been paid as herein provided, the board of directors of the Tennessee Valley Authority shall pay from net income derived the immediately preceding fiscal year from power operations, not less than $2,500,000 of its outstanding bonded indebtedness to the Treasury of the United States exclusive of interest, and such a portion of the remainder of such net income into the Treasury of the United States as miscellaneous receipts as will, in the 10-year period ending June 30, 1958, and in each succeeding 10-year period until the aforesaid total of $348,239,240 shall have been paid, equal not less than a total of $87,059,810, including payment of bonded indebtedness exclusive of interest on such bonded indebtedness. Total payments of not less than $10,500,000 shall be made not later than June 30, 1948. Amounts equal to the total of all appropriations herein and hereafter made to the Tennessee Valley Authority for power facilities shall be paid by the board of directors thereof, in addition to the total of $348,239,240 specified in the foregoing paragraph, to the Treasury of the United States as miscellaneous receipts, such payments to be amortized over a period not to exceed 40 years after the year in which such facilities go into operation." (Government Corporations Appropriations Act of 1948, pp. 3 and 4.)

The Government Corporations Act of 1948 further required that in addition to the above amount the total of all appropriations for power made after June 30, 1946, should be returned to the Treasury over a period of 40 years after the facilities go into operation. Thus, the repayment requirement as of June 30, 1955, was:

Appropriations for power property plus transfers as of June 30, 1955	$1,317,446,058
Remaining bonds	14,000,000
Total	1,331,446,058
Deduct repayments into general fund exclusive of bond retirements	100,059,019
Present repayment obligation	1,231,387,039

A further provision of the Government Corporations Act of 1948 required an act of Congress for TVA to use any of its power revenues for construction of new power-producing projects.

The Kerr bill would repeal all these safeguards. The TVA would be under no specific requirement to repay the $1,231,387,039 obligation. Furthermore, it would be free to use its power revenues for any purpose it desired without the consent of the Congress.

Further repayments of appropriation investment would be made only "as the Board may consider desirable * * * having due regard for * * * the objective that power shall be sold at rates as low as are feasible."

Under such an option, the way would be opened immediately upon the Kerr bill becoming law, for repayments of appropriation investment to stop, and for the money to be diverted to building new facilities.

The total repayments made in fiscal year 1955 were over $55 million.[2] While payments in subsequent years probably would not be as large, nevertheless they constitute an important factor in the situation.

REVENUE BONDS

The new section to be added to the TVA Act would permit the Authority to issue revenue bonds at the sole discretion of its Board. The features of this permission would be—

The bonds would be confined to new money for construction, acquisition, and replacements of property in connection with facilities for the production and transmission of power or in conection with lease-purchase or any contract for such facilities.

This provision is so broad that TVA could carry on almost any operation or build any property it desired. The inclusion of replacements as one of the purposes for which revenue bonds can be issued will be commented on in a subsequent paragraph.

2. The term of the revenue bonds would not exceed 50 years. The Government Corporations Act of 1948 specifies 40 years as the repayment term.

3. No regulatory commission or board would have to pass on the bonds. They could be issued at will by the vote of two men constituting a majority of the TVA board.

Nor is there any provision for congressional or budgetary control. Under the bill the proceeds realized from issuance of such bonds are not included in the computation of receipts, expenditures, surpluses, or deficits in the budget of the United States. Certainly as long as the taxpayers have an investment in TVA Congress should and must retain and exercise control. The bill follows the principle of the dual budget theory, making possible the hiding of huge annual expenditures in a debt budget and thereby eliminating any effective control over the national debt. Also, TVA (and ultimately other Federal agencies as well) would be able to accomplish indirectly what Congress might be reluctant to do directly. Thus, in the final analysis, the bill would preempt congressional control over Federal spending and place it in the hands of Federal agencies.

4. The interest and amortization on such bonds would be a first lien on the net revenues ahead of depreciation and everything else.

Principal of and interest on the proposed revenue bonds would be payable solely from TVA's net power proceeds. The Kerr bill then goes on to define net power proceeds as what is left of revenues after operation and maintenance, including payments in lieu of State taxes but before depreciation and amortization of capital expenditures. It also includes in the amounts which can be used to pay interest and amortization on the revenue bonds, the net proceeds of the sale or other disposition of any power facility or interest therein, including reserves created from such sources.

Thus TVA could use depreciation accruals to service the revenue bonds, and, to the extent required, could issue revenue bonds to make replacements. The REA cooperatives are following this practice. The only difference is that arey are borrowing the needed money from the REA instead of issuing revenue bonds.

The depreciation assigned to power for fiscal year 1955 was as follows:

Total depreciation for year	$30,092,618
Retirements	2,736,907
Balance to reserve	[3] 27,355,711

To give an idea of the importance of this provision of the Kerr bill, the $27,355,711 balance to the reserve would pay interest and amortization on more than $700 million of 50-year 3-percent interest revenue bonds.

5. The bonds and interest on them would not be guaranteed by the United States. This has little meaning, as the Federal Government would be pressured into making good on any default.

In the hearings last summer Senator KERR, author of the bill, had this to say:

"I want to say, as far as I am concerned, I regard any bond issued by this Authority (TVA) of the same dignity and obligation as that of a Government bond. * * * My position would be at any time these bonds get into default, that I would sponsor legislation to hold the holders of these bonds secure."

6. The bonds would be exempt both as to principal and interest from all taxation by any State or local taxing authority except estate, inheritance, and gift taxes. For example, the bonds would be tax-free in respect to State income taxes.

7. TVA operations would not be included in the budget, except in respect to such repayments of the appropriation investment as may be made from time to time.

The net effect of the revenue bond proposals would be to free TVA from the control

[2] Repayment made in 1955.

Payments into the general fund of the U. S. Treasury:	
On power investment	$35,000,000
Of nonpower proceeds	5,465,224
Retirement of bonds held by Treasury	15,000,000
	55,465,224

From U. S. 1956 Budget, p. 229.

[3] Depreciation: $30,092,618 from TVA annual report for fiscal 1955, p. A–12.

Balance to reserve for power properties:

Total at June 30, 1955: $168,211,522 from TVA annual report for fiscal 1955, p. A–32.

Total at June 30, 1954: $140,855,811 from TVA annual report for fiscal 1954, p. A–3.

Total for fiscal 1955: $27,355,711.

Difference: $30,092,618–$27,355,711. $2,736,907 represents retirements.

of the Congress and enable it to expand in any direction and to any extent it desired, on an extremely favorable financial basis.

DISPOSITION OF GROSS REVENUES FROM THE SALE OF POWER

The Kerr bill directs TVA to charge rates for power high enough to meet:

1. Operation, maintenance, and administration of the power system (exclusive of depreciation—see preceding section).

2. Payments to States and counties in lieu of taxes.

3. Debt service on outstanding bonds.

4. A return to the Treasury on the appropriation investment in the Corporation's power facilities. This return would be at the average interest rate payable by the Treasury upon its total marketable public obligations.

As of June 30, 1955, the appropriation investment was $1,217,387,039.[4] The average interest rate on marketable public obligations of the Treasury (which includes Treasury bills) was 2.043 percent as of June 30, 1954, the latest date available. On this basis, the annual return in fiscal year 1955 would have been $24,871,216.

During fiscal year 1955, TVA had the following resources to meet the above return.

Net revenues from power operations	$47, 900, 665
Depreciation accruals	30, 092, 618
Total available	77, 993, 283

These figures emphasize the importance to TVA of being able to make depreciation accruals available for paying returns as outlined in the Kerr bill.

5. In addition to the above firm obligations, the Board as it may deem desirable, can charge enough to cover the following:

(a) Investment in power system assets.

(b) Retirement of outstanding bonds in advance of maturity.

(c) Reduction of appropriation investment.

(d) Other purposes connected with the corporation's power business.

Under such optional treatment the reduction of appropriation investment, now a prime obligation of TVA, would be the last on the list under the Kerr bill, as a reduction would be made only if the Board found it desirable so to do.

NET EFFECTS OF THE OTHER PROVISIONS OF THE KERR BILL

It is obvious that the provisions of the Kerr bill relating to the disposition of its gross revenues would greatly change the TVA situation. For example:

1. The taxpayers' money (retained earnings) that the TVA has reinvested would never be recovered nor would any return be paid on it.

2. Appropriations by the Congress would still be needed to meet the costs of the nonpower features of TVA. The bill does not prohibit further appropriations by the Congress to the power operations of TVA but would allow TVA to go ahead on its own if Congress did not desire to let TVA have the money. As no firm requirement would exist to pay back the appropriation so made TVA would be in the position of being able to get all the money it could from the Congress and issue revenue bonds when the Congress turned down the request.

3. The question would be raised as to the extent of further repayment of appropriations to the United States Treasury. Making repayments of this nature would be entirely permissive on the part of TVA.

4. The Federal Government would continue in the power business in the TVA area.

5. TVA would not stand on its own feet and pay its own way in full. On the contrary, it would become less of a self-liquidating undertaking than it is now.

GENERAL OBJECTIONS TO THE KERR BILL

The Kerr bill, with its modification of the Government Corporations Appropriations Act of 1948, the proposed sale of revenue bonds, and the other changes in the TVA situation, would adversely affect the public interest because:

1. Socialistic programs involving proprietary businesses are bad for the people of the United States. The proposed legislation would perpetuate, enlarge and strengthen such a program and remove the present controls which the Congress has over it.

The United States would still own the undertaking, and the taxpayers' money would still be invested in it. Congressional control should be strengthened rather than removed, to protect the national interest and the Federal taxpayers.

2. Government, at both the Federal and State levels very properly and wisely, regulates the electric utility companies in the public interest and as protection to investors sets up rules for financial structures which, among other things, require a reasonable proportion of equity money in the capital structure as a cushion for debt.

TVA asserts, of course, that the appropriations represent equity in the property, which is absurd, as the taxpayers' contributions to the enterprise were forced from them and the individual taxpayer cannot sell, pawn or control his so-called share in the undertaking.

Obviously the revenue bonds to be sold at TVA option, could and might be made large enough to cover all the cost of the facilities to be built.

A departure by the Federal Government in its own proprietary operations from the financial principles that it prescribes for its citizens, appears to be unjust and unwise.

3. The proposed legislation would remove whatever restrictions presently exist on the expansion of TVA's service area. TVA is an unregulated Government monopoly enjoying a long list of valuable special privileges that makes it an invincible competitor of the utilities.

As TVA could issue revenue bonds at will to pay for acquisitions and would not have to get the consent of the Congress, it would be free to move in on its utility neighbors anywhere it wished and destroy them, as it has done in the past in the area it now serves. The resulting loss of tax revenues would be serious to the Federal Government. Even more serious would be the further transfer of industries using large amounts of power from non-TVA areas to locations where they could obtain subsidized TVA power.

4. The legislation would not clean up the TVA mess. The authority would not stand on its own feet and pay its own way in full. None of the inequities which exist in the TVA situation would be removed or alleviated. TVA would continue to pay no Federal taxes and an insufficient amount of State and local taxes, and would remain a political and social issue.

5. If TVA would obey its own act, it would be unnecessary to supply additional facilities at this time.

The effect of the revenue bond financing approach to the TVA's problem is to imply that TVA (or the Federal Government) has a public utility responsibility to perform which of course it has not.

As to the future power supply in the TVA area are the following facts.

TVA has a preference clause, which reads as follows:

"In the sale of such current by the board it shall give preference to States, counties, municipalities and cooperative organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members."

In fiscal year 1955 the sales of energy by TVA were as follows:[5]

Class of customers	Proportion		Revenue mills per kilowatt-hour
	Kilowatt-hours	Revenue	
	Percent	*Percent*	
Preference customers:			
4 large cities	15.03	13.40	3.97
Smaller towns and cooperatives	17.21	17.67	4.65
Total preference customers	32.24	31.07	
Nonpreference customers:			
Industrials and others	15.98	13.98	4.09
Federal agencies and TVA itself	51.78	54.95	4.73
Total nonpreference customers	67.76	68.93	
Grand total	100.00	100.00	4.46

If the nonpreference users were to furnish their own needs, TVA's present power supply plus the capacity under construction would be sufficient to take care of the preference customers' needs for many years in the future.

[4] Power investment at June 30, 1955:

Appropriations (U. S. budget, fiscal 1957, p. 227)	$1, 298, 081, 000
Transfers of property (U. S. budget, fiscal 1957, p. 227)	19, 365, 000
Total (TVA annual report, June 30, 1955, p. A-4)	1, 317, 446. 058
Payments into the general fund of the Treasury	100, 059. 019
Balance	1, 217, 387. 039

Average interest rate on marketable public obligations from annual report of Secretary of the Treasury, June 30, 1954, p. 471.

[5] Sales by TVA in 1955, TVA annual report, June 30, 1955, pp. A-39 to A-41:

		Percent	Amount	Percent	Rev/kilowatt hour
4 large cities	6, 320, 502, 090	15.03	$25, 104, 664	13.40	3.97
Towns and cooperatives	7, 236, 120, 329	17.21	33, 099, 494	17.67	4.65
Total	13, 556, 622, 419	32.24	58, 204, 158	31.07	
Industrial and other:					
Industrials	6, 030, 518, 975		23, 555, 417		3.91
Private utilities	31, 289, 648		145, 070		4.64
Interdivisional	656, 072, 300		2, 493, 851		3.80
Total	6, 717, 880, 923	15.98	26, 194, 338	13.98	4.09
Federal agencies	21, 770, 450, 713	51.78	102, 962, 859	54.95	4.73
Total	28, 488, 331, 636	67.76	129, 157, 197	68.93	
Grand total	42, 044, 954, 055	100.00	187, 361, 355	100.00	

There is no sound reason why this could not be done in respect to the industries served directly by TVA. They are all nonpreference customers. They have been the main beneficiaries of TVA subsidized power. All of them could construct their own powerplants and serve themselves.

The largest group of nonpreference customers consists of the Federal agencies, accounting for over one-half of TVA's energy sales. There is no reason why they could not construct their own facilities. It is not commonly realized that over one-half of TVA's revenue from the sale of power comes from the Federal Government itself—in other words, from the taxpayers. Obviously the service to the Federal Government is responsible for a substantial portion of the net power income, which is used in part to build new facilities, and from which repayments to the Treasury are made from time to time.

Inspection of TVA data discloses that, as a group, the Government agencies are paying the highest average rate for energy of any of the other groups served by TVA. As the Government service is mainly at high load factor and includes a large amount of nonfirm service, it should be at a very low average rate.

It seems probable that TVA is making a greater margin over bare-bones cost out of serving the Federal agencies, than it is out of its other groups of customers. In this way it is getting a large amount of taxpayers' money and using it to further subsidize service to other customers. A mill a kilowatt hour of undue margin on the service to Federal agencies in fiscal year 1955 would total $21,770,451.

If the Government agencies would undertake to build their own facilities as the TVA area needs additional power, they would release the required capacity for preference customer use, and at the same time clear up any discrimination against the taxpayers that may exist by reason of the rates charged the Federal agencies by TVA.

The end result would be to save money for the taxpayers.

6. These are other methods whereby the future power needs of the area could be met without further major expenditures by the Federal Government. One of these is the construction of steam-electric stations by the large municipalities now served exclusively by TVA.

This could be easily accomplished by requiring TVA to free the local municipalities from the stringent provisions of its "sole supplier" clause and relax its restrictive control of municipal resources derived from the resale of its power. This would enable the municipalities to use these financial resources to meet their future needs for power by providing their own facilities or purchasing supplemental power from outside sources. Once freed of TVA domination these municipalities would be free to choose public power by providing their own generating plants or, if they prefer, by purchasing what they want from neighboring electric companies.

The four largest cities in the TVA service area use an amount of energy equal to about 87½ percent of the remainder of the preference customers. Obviously if the four largest cities would supply their own power needs, which they could do just as cheaply as TVA, an abundant supply would be available for the smaller cities and the rural cooperatives.

The latest available information indicates peak demands of the four cities to be:

Twelve months ending October 31, 1955:

	Peak demand kilowatts
Nashville	428,765
Chattanooga	406,086
Memphis	392,532
Knoxville	262,032
Total	1,489,415

The city of Memphis is now undertaking to supply its own needs. The other three cities could do likewise.

It also is possible to get a substantial amount of additional power from outside the TVA area.

7. A rash of similar bills would certainly result if the Kerr bill becomes law. An REA bill (H. R. 8243) has already appeared. Every other Federal proprietary undertaking could be expected to follow.

For the reasons set forth in this section, it seems reasonable to conclude that the Kerr bill is not in the public interest.

SPECIFIC OBJECTIONS TO THE KERR BILL

If the Kerr bill is to be amended to meet the major objections to its end results, the following steps would be required:

1. The Congress should strengthen its control over TVA, and its approval should be required of every step taken by the Authority, especially in respect to the amount, terms and guaranties of the revenue bonds to be issued.

2. An effective and specific territorial limit should be set to keep TVA within reasonable limits.

3. In order to protect the taxpayers, amortization and interest on present investment should have first priority on the net income, and the interest and amortization on the revenue bonds should be subordinated to it.

4. Interest rates should be at least equal to the highest interest rate being paid by the Federal Government plus enough to cover overheads. The "average" rate proposed by the Kerr bill includes Treasury notes and other low-interest items that have no relation to long-term obligations.

5. All TVA costs should be included.

6. The taxpayers should come out "whole" at the end of the repayment period, making the project truly self-liquidating.

FACTS AND FIGURES

The amount of money that has passed through the hands of TVA since its beginning totals more than $3,131 million.[6] About $519 million of this went for operating its power facilities. Other large sums were spent for operating the other purposes of TVA, in retiring property and in writeoffs.

As of June 30, 1955, the general funds of TVA, exclusive of operating expenses, and net after various prior transactions totaled $2,488,420,626. (See tabulation marked "Exhibit A.") Not all of this total would be subject to repayment and interest (return).

The TVA has prepared figures on the present investment (June 30, 1955) in the power business which total $1,533,838,694. From the data given in the annual report of TVA for 1955 the appended tabulation (exhibit B) has been prepared which shows the total investment of TVA, divided between power and other. This appears to be a correct statement if the TVA allocations and other accounting practices are accepted.

Some question could be raised to treating repayments taken from net power revenues as a return of capital. Nevertheless the end result on the total investment is the same as it would be if they had been considered as a payment of "return," and it does not seem necessary to explore the question further.

The taxpayers have furnished additional large sums of money which do not appear on TVA's books, and which have been overlooked in the proposed legislation.

The first of these is taxes. The task force of the Hoover Commission computed the total taxes that TVA should have paid to June 30, 1953, to be $199,501,868. Projecting this ahead to June 30, 1955, gives a grand total of $285,666,588. This probably would divide about as follows:

Federal	$171,889,669
State and local	[7] 113,776,919
Total	[8] 285,666,588

[6] Money that has passed through hands of TVA:

Total power operating revenue	$896,194,921
Other gross revenues, disposition of fertilizer and munitions	219,651,948
Bonds issued	65,072,500
Appropriations and net transfers of property	1,950,418,029
Contributions in aid of construction	$303,417
Total	3,131,640,815

Revenues were compiled from income statements in TVA annual reports. Remainder of figures from TVA annual report, June 30, 1955, pp. A-4 and A-7.

[7] The table is as follows:

Year	Total taxes	State and local taxes	Proportion	TVA State and local taxes
1955			[a] 39.18	$18,798,270
1954	1.437	563	39.18	14,961,106
1953	1.339	515	38.46	12,088,831
1952	1.224	471	38.48	9,561,578
1951	1.150	431	37.48	7,584,363
1950	948	387	40.82	7,465,416
1949	794	352	44.33	7,057,098
1948	712	321	45.08	6,276,497
1947	664	290	43.67	5,720,490
1946	644	266	41.30	5,625,689
1945	652	241	36.96	4,849,437
1944	677	235	34.71	3,774,942
1943	680	232	34.12	3,128,670
1942	628	231	36.78	2,355,075
1941	520	226	43.46	1,718,948
1940	404	214	52.97	839,377
1939	352	212	60.23	532,838
1938	323	212	65.63	
1937	308	207	67.21	
1933-38			[b] 67.21	1,438,294
Total				113,776,919

[a] Estimated.
[b] Used.

[8] Hoover Commission Task Force report, vol. 2, p. 441.

NOTES ON PROJECTIVE OF TVA TAXES

Page 441 Hoover Task Force Report on Water Resources and Power gives the total tax obligation to June 30, 1953, as $199,501,868.

Method of projecting taxes—TVA only

Fiscal year	Kilowatts installed including Army engineers plants	Average	Taxes	Per kilowatt	Fiscal year
1950	2,648,050	2,741,800	$20,235,761	7.38	1951
1951	2,835,550	3,347,230	24,848,176	7.42	1952
1952	3,859,910	4,305,480	31,432,219	7.30	1953
1953	4,751,050	5,230,900	38,185,570	7.30	1954
1954	5,710,750	6,572,500	47,979,250	7.30	1955
1955	7,434,250				
Subtotal			86,164,820		
			199,501,868		
Total			285,666,688		

TVA pays no Federal taxes of any kind. Therefore, the $171,889,669 represents Federal taxes which TVA avoided and which the other taxpayers had to contribute to the support of the Federal Government in addition to their proper share.

TVA has made token payments in lieu of State taxes which have totaled $37,208,229 to June 30, 1955. Deducting these from the total State and local taxes leaves $76,568,690 as the contribution of the people of the TVA service area to the project.

The second is interest. The taxpayers continue to pay interest on Government bonds that otherwise would not exist if the appropriations to TVA had not been made. A conservative estimate of the amount of this interest at 3 percent per year from the start of the project to June 30, 1955, is $279,733,275,[9] exclusive of interest on interest, and exclusive of the interest actually paid on the few TVA bonds that have been held by the Federal Government.

The third group of items are the miscellaneous operating items which other business pays, but which TVA escapes. For example, the social-security tax on its civil service employees is paid by the Federal Government, and does not appear on the books of TVA.

TVA gets freight rate rebates and is free of a number of excise taxes that other people pay. It franks some or all of its mail.

With the limited information available for this study, an estimate of the amount of money involved in this third group is not possible.

A fourth group concerns $95,781,420 of cash items (see exhibit B) that in the tabulation is included in "other." This money will no doubt be used for power operations, and if a break is to be considered as made as of June 30, 1955, it must be included in the total if it is to be ultimately recovered.

The fifth group includes writeoffs, allocations, and other items, such as:

1. The writeoff of over $92,500,000[10] which took place at the start of TVA operations. This was a direct loss to the Federal taxpayers. One of the results of the writeoff was that the 64,000 kilowatt Wilson steam-electric station was taken on the books at zero dollars. It has been in operation ever since.

While a portion of the writeoff may have been justified, it seems evident that a substantial part, especially that applying to Wilson Dam and Wilson steam-electric station, were greater than the facts justified.

2. Past expenditures made by cooperating governmental agencies and not reimbursed by the Authority are not included in the amounts to be recovered under the proposed legislation. For example, the CCC furnished labor on the reservoirs, rights-of-way, and pole setting for transmission lines, office buildings, and on the streets and sewer system at Norris Town. The WPA also did work on the project, and so did the Army engineers.

3. Questionable allocations of property to navigation and flood control which have unduly favored the power end of the business. For example, a total of $158,142,107[11] has been allocated to navigation. This is over double the $67 million cost of an equivalent low dam navigation channel.

The $183,995,636[12] allocated to flood control is less easy of anlysis. A greater amount of land has been permanently flooded in the Tennessee Valley by the TVA works than was ever flooded under natural conditions. The total benefit in the valley probably is confined to the city of Chattanooga. Some benefits may be realized in the Ohio Valley but they are problematical.

None of the general property has been allocated to power, although a large part of it is used in the power operations.

A reasonable estimate of the amount including interest on the items in this fifth group that should have been charged to power required to make the taxpayers whole in respect to the items of this group would be $118,756,942.

The total required to make the taxpayers whole is summarized by the following tabulation:

Investment in power as of June 30, 1955, per TVA books	$1,533,838,694
Additional items necessary to make taxpayers "whole":	
Additional cash items	95,781,420
Back interest	279,733,275
Back Federal taxes	171,889,669
Needed to clear up allocations and miscellaneous items	118,756,942
Total to make taxpayers whole	2,200,000,000

CONCLUSIONS

As a guiding and fundamental principle and to the extent that TVA is engaged in the public utility business, TVA should be subjected to regulation like private enterprise. It should pay its full share of Federal taxes like private enterprise and its full share of local taxes like private enterprise. Further, it should pay the same rates of interest as those paid by private enterprise and it should show its true costs of doing buisness by the same accounting methods and legal principles that private enterprise, under the law, is required to do. Yet at this moment, and under the several TVA revenue bond proposals under consideration, TVA has accepted only the privileges of private enterprise and few, if any, of its limitations.

The Kerr bill has as a base for interest ("return"), an investment of only $1,217,387,039. It does not include outstanding bonds. It proposes to charge only 2.043 percent interest on this, which would be $24,871,216 per year. A major omission is that no specific repayment program is set up for adequate interest payment or amortization.

If the Congress wishes to waive or make no attempt to clear up back matters, then the least amount to be considered as a base should be the investment admitted by TVA of $1,533,838,694.

Under existing law the investment in power must be repaid over not more than a 40-year period. In respect to the average investment remaining in the property 5 of the years have passed, leaving 35 years yet to go. The following table shows what the interest and amortization would be at 3 percent interest rate on several setups:

	Amount	Annual amount as of June 30, 1955	
		35-year amortization	40-year amortization
	Dollars	*Dollars*	*Dollars*
TVA's admitted investment in power	1,533,838,694	71,383,747	66,357,513
Plus cash on hand and back interest	1,909,353,389	88,859,952	82,603,193
Total to make taxpayers "whole"	2,200,000,000	102,386,460	95,177,280

Cashwise, TVA would have available to pay the above—

Depreciation accrual	$30,092,618
Net income	47,513,278
Total	77,605,896

The Kerr bill certainly contemplates the use of these items for interest and amortization purposes. Any change in TVA procedure should include payment in lieu of Federal taxes in future years.

These figures emphasize the importance of TVA paying the equivalent of Federal taxes imposed upon electric companies in the general area.

There is precedent in other countries for the payment of Federal taxes or their equivalent by Government-owned power projects (see Hoover Commission Task Force Report on Water Resources and Power, vol. 1, p. 204).

The British Electric Authority is liable for and pays both local and national taxes in the form of income, profits, and excess profits levies.

The State Power Board of Sweden pays local taxes the same as any private undertaking. Enough is allowed in the rates to cover national taxes on the same basis as if the power were supplied by a private undertaking subject to income tax.

Electric utilities owned by the State in Norway pay local taxes and the income and fortune tax imposed by the State. The rate of taxation is about the same for the State-owned and the private companies.

Electricite de France, a Government body, pays taxes equal to about 10 percent of income.

There is, in fact, precedent in the TVA itself for inclusion of taxes, and the other factors not covered by its present books, in the cost of the project.

Mr. Lilienthal, then a member of the TVA board, said in July 1938, during his testimony before the Joint Committee on the Investigation of the Tennessee Valley Authority, 75th Congress, 3d session:

"In fixing TVA wholesale rates, the liquidation of the actual total investment devoted to power purposes, fixed charges on that investment, including taxes, depreciation, interest, and all other appropriate items, and all operating expenses be accepted as a minimum below which those rates should not be permitted to go."

Payments in lieu of State and local taxes:

1933–1953	$29,751,095
1954	3,578,668
1955	3,878,466
Total	37,208,229

Hoover Task Force Report, p. 242.

[9] Interest was figured by multiplying the average funds employed in the power program by 3 percent which gave a total of $290,370,791. From this was deducted the interest paid on bonds of $10,637,516, leaving $279,733,275.

[10] Page 52 of the 1940 TVA Annual Report.

	Original cost	
Wilson Dam		$46,950,748
Steam plant		12,326,392
Nitrate plants, etc		65,073,387
Total		124,350,527
Taken on books, see p. 55:		
Wilson Dam	$31,300,000	
Equipment, etc	485,787	
		31,785,787
		92,564,740

[11] Allocation to navigation:

Navigation facilities, including locks, channel improvements, etc	$46,142,069
Allocation of multiple facilities	112,000,038
Total	158,142,107

(TVA annual report June 30, 1955, p. A–17.)

Cost of equivalent low dam navigation channel $67 million. From H. Doc. 328, 71st Cong., pt. I, p. 99. TVA did not build the large locks at all dams.

[12] Allocations to flood control:

Direct flood-control investment	$55,403,000
Allocation of multiple facilities	128,592,636
Total	183,995,636

(TVA annual report, June 30, 1955, p. A–17.)

It seems reasonable to conclude that if any legislation is passed, it should be comprehensive, and settle, once for all, the past and future situation of TVA. The settlement should be based on the representations made to the public by the TVA at the time it was being "sold" to the American people.

EFFECTIVE DATE

It is, of course, impossible to estimate when the effective date might be. Obviously it will not be June 30, 1955. Any subsequent date will change the figures of this memorandum somewhat but not the principle.

OTHER BILLS

Three other bills having as their foundation the future financing of TVA by revenue bonds are: H. R. 6575, May 31, 1955, Mr. DAVIS; H. R. 6576, May 31, 1955, Mr. JONES; H. R. 6770, June 13, 1955, Mr. BUCKLEY.

H. R. 6575 and H. R. 6576

These are duplicate bills, and are almost the same as the Kerr bill, with one exception, which is the provision that the United States Treasury can buy the revenue bonds, either directly or in the market. This puts a ceiling on the interest rate, as the Treasury would buy the bonds if the rate were too low for them to sell on the open market. This provision for all practical purposes makes the bonds a Government obligation.

If the Treasury sells bonds to buy the TVA bonds, then these Treasury bonds are exempt from the debt limitation.

H. R. 6770

This is the Buckley bill, and is different in some particulars from the Kerr bill, as follows:

1. It does not cancel the last paragraph under the subtitle "Independent Agencies and Corporations" in title II of the Government Corporations Appropriations Act of 1948.

By leaving this paragraph in effect, the Buckley bill would require an act of Congress before power revenues of TVA could be used for the construction of new power-producing projects.

2. Revenue bonds would be limited to $750 million outstanding.

3. Revenue bonds could only be sold to the extent necessary to meet TVA's budget program as approved by the Congress.

4. No provision is made for the purchase of revenue bonds by the United States Treasury.

5. Interest on appropriation investment would be based on interest of Treasury marketable public obligations neither due nor callable in less than 15 years from date of issue. Just what this interest rate might be is not presently available, but inspection of the latest report of the Secretary of the Treasury indicates that it would be around 35 percent higher than the rate called for by the Kerr bill.

6. TVA would be retained under the Government Corporations Control Act.

7. TVA would be required to contribute to Government civil-service costs including administration.

8. The TVA would be required to pay into the Treasury each year from net power proceeds, an amount equal to the estimated annual depreciation on the appropriation investment until the appropriation investment shall be reduced to $250 million. Data are lacking to calculate what this might mean dollarwise but on a proration basis it would be about $24 milion a year under present conditions.

9. TVA would be required to charge rates sufficient to accomplish the above.

Obviously the Buckley bill is much more favorable to the taxpayers than either of the other three bills. But, except for a somewhat better financial setup and the retention by the Congress of some measure of control over the authority, the Buckley bill has all of the other infirmities of the Kerr bill.

COMPTROLLER GENERAL'S OPINION

On June 30, 1955, Senator CHAVEZ, chairman of the Senate Committee on Public Works, requested the views of the Comptroller General of the United States, Mr. Joseph Campbell, on this proposed TVA legislation. Mr. Campbell's letter in response appears in exhibit C and, in brief, points out—that if TVA is allowed to obtain funds through issuance of revenue bonds, provision should be made as follows:

1. TVA should be required to get congressional approval of each new power-producing project.

2. A ceiling should be placed on the total amount of bonds which can be outstanding at any time.

3. TVA should be subjected to geographical limitations.

4. The Secretary of the Treasury should have authority to approve in advance all terms and conditions under which such bonds were to be issued.

5. All provisions of the Government Corporation Control Act relating to deposit and investment of TVA power funds should be retained.

6. Provision should be made for a definite plan for repayment of the investment made in TVA.

7. Appropriate restrictions should be placed on TVA's authority to convey property.

8. Provision should be made for TVA to be paid for any engineering or other services furnished others by it.

EXHIBIT A.—*General Funds of TVA as of June 30, 1955*

Item	Amount	Reference to page in TVA annual report for fiscal year 1955
Appropriations and transfers of property net.	$1, 950, 418, 029	A 7.
Net income from power operations.	301, 427, 523	A 7.
Depreciation reserve	222, 271, 657	A 6.
Debt	14, 000, 000	A 7.
Contributions in aid of construction.	303, 417	A 7.
Total	2, 488, 420, 626	
Used for—		
Fixed assets	2, 034, 418, 811	A 6.
Net expense of non-income-producing programs.	159, 290, 652	A 7.
Payments into general fund U. S. Treasury.	$127, 563, 390	A 7.
Cash	159, 716, 263	A 6.
Net current assets	7, 431, 510	Current receivables plus inventories minus current liabilities and deferred credit—see pages A 6 and A 7.
Total	2, 488, 420, 626	

EXHIBIT B.—*Investment in TVA program, June 30, 1955*

Derivation	Total	Power	Other
Appropriations of Congress and transfers of property—net	$1, 950, 418, 029	$1, 317, 446, 058	$632, 971, 971
Less:			
Payments into general fund of U. S. Treasury	127, 563, 390	100, 059, 019	27, 504, 371
Net expense of non-income-producing property	159, 290, 652		159, 290, 652
Total	286, 854, 042	100, 059, 019	186, 795, 023
Balance	1, 663, 563, 987	1, 217, 387, 039	446, 176, 948
Long-term debt:			
Total bonds issued	65, 072, 500	65, 072, 500	
Less bonds redeemed	51, 072, 500	51, 072, 500	
Bonds outstanding	14, 000, 000	14, 000, 000	
Total investment of U. S. Treasury funds	1, 677, 563, 987	1, 231, 387, 039	446, 176, 948
Accumulated net power income	301, 427, 523	301, 427, 523	
Total investment of U. S. Government	1, 978, 991, 510	1, 532, 814, 562	446, 176, 948
Rents and other collections in advance	720, 715	720, 715	
Contributions in aid of construction	303, 417	303, 417	
Total	1, 980, 015, 642	1, 533, 838, 694	446, 176, 948
Investment:			
Completed plant	1, 774, 570, 981	1, 378, 830, 927	395, 740, 054
Construction work in progress	258, 531, 063	256, 533, 673	1, 997, 390
Investigations in progress	1, 316, 767	447, 015	869, 752
Total	2, 034, 418, 811	1, 635, 811, 615	398, 607, 196
Less reserve for depreciation	222, 271, 657	168, 211, 522	54, 060, 135
Net plant	1, 812, 147, 154	1, 467, 600, 093	344, 547, 061
Inventories	29, 168, 097	23, 319, 630	5, 848, 467
Funds held for future use	[1] 138, 700, 391	42, 918, 971	95, 781, 420
Total	1, 980, 015, 642	1, 533, 838, 694	446, 176, 948

[1] Breakdown is as follows:

Cash	$159, 716, 263
Accounts receivable	34, 363, 847
Total	194, 080, 110
Less accounts payable	55, 379, 719
Balance	138, 700, 391

EXHIBIT C

JULY 26, 1955.

Hon. DENNIS CHAVEZ,
Chairman, Committee on Public Works,
United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your letter of June 30, 1955, acknowledged by telephone July 1, enclosing a copy of S. 2373, 84th Congress, and requesting our views and recommendations thereon.

Since the purpose of the proposed bill is to provide for an expansion of the TVA system, we suggest the importance of obtaining a careful analysis of the power requirements of the several Government agencies presently dependent upon the system. Your attention is invited to various published statements to the effect that national-defense agencies of the Government will absorb half the total output of the system by 1957.

Should these demands sharply decrease, the effect on the TVA power operation could be most serious, if not disastrous, to the power-rate structure as well as to the general economy of the area. We have particularly in mind the operations of the Atomic Energy Commission.

This great dependence of the system on a continued enormous Government-power demand leads to the suggestion that, in any expansion program, the affairs of the TVA should require unusually close control by the Congress and the executive branch of the Government. Therefore, the proposed bill, which, in essence, would grant unlimited authority to the TVA, seems highly inappropriate.

It is, in our view, basically undesirable to amend the TVA Act of 1933 in order to authorize the TVA to issue its own obligations to the public for the purpose of obtaining funds to finance the construction or acquisition of facilities for the generation or transmission of electric power.

In a press release dated April 5, 1955, the TVA suggests that the particular method of financing is proposed for the reason that in periods of national deficit financing there is a reluctance on the part of the executive branch and the Congress to increase budget deficits by using appropriations to finance new powerplant construction. To our mind this reasoning alone does not justify the financing of a Government activity by the sale of bonds to the public. In effect, such action would accomplish indirectly what Congress and the executive branch might be reluctant to do directly.

In our opinion, the financing of Government activities of this character should be by appropriations. If, to obtain needed funds, borrowing from the public is necessary, the Secretary of the Treasury should perform this function under the authority of the Second Liberty Loan Act, as amended. This act provides, among other things, a limitation on the total amount of direct and guaranteed obligations which may be outstanding at any one time. Under the proposed legislation, the borrowing authority of TVA would be outside of the public debt ceiling and, as a result, the true financial facts of the Government's debt position would be obscured.

We do not think that agencies of the Government, other than the Treasury Department, should be authorized to borrow from the public for purposes of the character involved in this legislation, nor do we believe that the fiscal and debt management responsibilities of the Department should be weakened by authorizing other Government agencies to enter a field which is a normal function of the Treasury Department.

The proposal provides that the obligations issued by the TVA would not be obligations of, or guaranteed by, the United States. However, despite such a declaration, we think that, so far as the investing public is concerned, they would be regarded as obligations of the United States Government and, as a practical matter, they would be moral and equitable obligations of the United States since they would be issued by a wholly owned and controlled corporate instrumentality of the United States Government.

By using the appropriation method of financing, two important results are achieved. First, the Congress is placed in a position to review, annually, TVA needs which can be weighed against the overall picture of revenue and expenditures of the Government. Second, any borrowings necessary to fund the appropriations granted by the Congress will be handled by the Treasury Department and automatically treated and disclosed as a part of the public debt of the Federal Government.

The proposed legislation would remove any effective control by the Congress over the TVA power operations. The provision of title II of the Government Corporations Appropriation Act, 1948, requiring approval by the Congress for the construction of new power producing projects would be repealed. The TVA would be authorized to borrow from the public unlimited amounts to finance the construction, acquisition, enlargement, improvement, or replacement of electric power generation or transmission facilities. The only limit on expansion would be its ability to borrow. We do not believe that any agency of the Government should be granted such freedom from the normal controls exercised over Government activities.

The Government Corporation Control Act, 1945, was enacted by the Congress in order to exercise better controls over the corporations of the Government. The proposed legislation would exempt TVA from the provisions of section 302 of that act relating to the deposit of funds. We think the Secretary of the Treasury should continue to have control over the deposit of funds of the TVA, and we believe section 302 as now written is broad enough to take care of the conditions TVA seeks to meet. It should be noted that the Secretary of the Treasury is by law given authority to waive the requirements of section 302 under such conditions as he may determine.

Further, we see no reason to exempt TVA from the control of the Secretary of the Treasury with respect to the issuance of obligations. Section 302 (a) of the Government Corporation Control Act requires the Secretary of the Treasury to approve the form, denomination, maturity, interest rate, terms and conditions, manner of issuance, and price of all obligations issued by Government corporations. The purpose of this provision was to formalize existing arrangements for cooperation between Government corporations and the Treasury in the issuance of corporate obligations and to assure unification of the financial policy of the Government. See House Report No. 856, 79th Congress, page 10.

In addition, we do not believe that TVA should be exempt from the provisions of section 303 (b) of the Government Corporation Control Act relating to the sale and purchase of obligations of the Government. We think it necessary for the Secretary of the Treasury to maintain control over such purchases and sales when the amount involved is in excess of $100,000 at any one time.

In summary, it is our opinion that the proposed legislation is basically objectionable because of the extent to which it removes TVA from the controls now exercised over its activities by the Congress and the executive branch. If, notwithstanding the above considerations, it should be decided to authorize TVA to obtain funds through the issuance of its own bonds, we feel that the authority should be limited as follows:

1. Require congressional approval of each new power-producing project before the issuance of bonds to obtain the funds needed to build, lease, lease-purchase, or otherwise acquire power facilities, or, as a minimum alternative, place a ceiling on the total amount of bonds which can be outstanding at any one time and prescribe a definite geographical area in which TVA can construct or otherwise acquire power-producing facilities.

2. Leave with the Secretary of the Treasury the authority to approve, in advance, all terms and conditions of bonds to be issued and the time and manner in which they are to be issued, as now required by section 303 (a) of the Government Corporation Control Act.

3. Retain the applicability of sections 302 and 303 (b) of the Government Corporation Control Act relating to the deposit and the investment of TVA power funds.

In addition, there are other provisions of the proposed legislation which we think are undesirable or should be clarified.

Section 15d (a) provides that the corporation is authorized to enter into binding covenants with the holders of bonds, and with the trustees, if any, with respect to the establishment of reserve funds and other funds, provisions for insurance, charges for supply of power, application of net power proceeds, restrictions upon the subsequent issuance of bonds, or the execution of leases or lease-purchase agreements relating to power properties, and such other matters not inconsistent with the act as the TVA may deem necessary or desirable to enhance the marketability of the bonds. We have considerable concern over the possible effect of this provision for the reason that it could result in the bondholders having a strong control over the power operations of the TVA, notwithstanding TVA would be a wholly owned Federal agency.

Section 15d (c) would authorize TVA to arrange for audits of its accounts and for reports concerning its financial condition and operations by commercial accounting firms, in addition to the audits and reports required by sections 105 and 106 of the Government Corporation Control Act, 1945. Insofar as the granting of authority to engage commercial accounting firms is concerned, we doubt such authority is necessary and have no reason to believe that the audit performed by the General Accounting Office will not serve the purposes of the TVA and the investors. However, should such authority be deemed advisable, we believe that the law should provide that it be exercised subject to the specific concurrence of the Comptroller General in order to assure avoidance of duplication and consistent classifications of revenues and expenditures in the determination of net power proceeds for all purposes.

Under the provisions of the Government Corporation Appropriations Act, 1948, TVA is required to repay the Federal appropriation investment over a definite period of years. Under the proposed legislation, the first section of this requirement would be repealed and, while, under section 15d (c), TVA would be directed to pay interest on the Government's investment, no definite plan for repayment of principal is substituted. We believe that a definite repayment plan should be established.

Section 15d (g) provides, among other things, that the TVA, in connection with the construction of a generating plant or other facilities under an agreement providing for lease or purchase of said facilities, or any interest therein by or on behalf of the corporation, or for the purchase of the output thereof, may convey in the name of United States by deed, lease, or otherwise, any real property in its possession or control, may perform engineering and construction work and other services, and may enter into any necessary contractual arrangements. We believe this authority is entirely too broad, particularly with reference to the granting of authority to convey real property. The term "real property" includes both improved and unimproved property, and consequently the language proposed would authorize TVA to convey an entire plant or other facility with the only criteria being that the TVA enter into a lease or lease-purchase agreement, or an agreement for the purchase of power output. We believe that, as a minimum, the authority to convey real property should be limited to unimproved real property. Also, the section should be clarified as to whether conveyances of real property, as well as the performance of engineering and construction work and other services by TVA may be without charge, or whether and when it is intended that TVA be paid for real property at the fair market value, and be paid for engineering and construction work and other services.

Accordingly, for the reasons indicated, we do not recommend favorable consideration of S. 2373, in its present form.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Federal Aid to and Control of Education

EXTENSION OF REMARKS
OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. GWINN. Mr. Speaker, this Congress is being opportuned to take one more step along the road to socialism by enacting a bill which will place the Federal Government as the overall controlling hand in the direction of the public schools of the United States.

There is presently pending before the powerful Rules Committee of the House of Representatives a motion for a rule to bring to the floor of the House of Representatives for debate the bill, H. R. 7535, introduced in Congress by Representative AUGUSTINE B. KELLEY, Democrat of Pennsylvania's 21st District. Among other features the Kelley bill would provide annual grants for the building of schoolhouses in the States in the total amount of $1,600,000,000 spread over a 4-year period. Thus the amount for fiscal 1957 would be $400 million.

On the basis of the amount in revenues contributed by the several States in fiscal 1954, and on the basis of the number of children in each State of school age, that is, from 5 to 17 years of age, every State would contribute to the program, but the returns would vary greatly.

For example, six industrial States in the North would contribute 57.654 percent of the Federal funds which would be distributed and would get back only 35.747 percent. Graphically, what each State would contribute to the program and get back is shown by the table following:

Contributions to and returns from the $400,000,000

State	Puts in percent	Puts in dollars	Takes out dollars
California	7.620	$30,480,000	$27,545,819
Illinois	8.228	32,912,000	20,247,262
Michigan	8.711	34,844,000	17,058,887
New York	18.749	74,996,000	32,794,708
Ohio	6.734	26,936,000	20,236,416
Pennsylvania	7.612	30,448,000	25,105,737
Total	57.654	230,616,000	142,988,829

By subtracting the take from the put, the 6 States shown above will contribute $87,627,171 each year for 4 years or a total of $350,508,684 to help other States build classrooms for the children attending the public elementary and secondary schools.

By contrast to the contributions of the 6 northern industrial States the State of Mississippi with a per capita personal income of but $873 in 1954 would contribute $800,000 toward the program and get back $6,506,886 which is better than an 8 to 1 return. Notwithstanding this favorable return the people of Mississippi generally reject the idea of Federal aid and Federal control over their public schools.

Indeed, in recent years a committee of the Mississippi Legislature investigated and rejected the whole idea of Federal aid to education. Yet this proposed bill literally forces the States to take it whether they want it or not.

To show the utter ridiculousness of this scheme to distribute Federal tax money all over the 48 States and our outlying possessions I am appending hereto 2 tables.

Table I shows the percent of individual income, by States, spent in the school year 1953–54:

For current educational expenses

State	Percent of income spent on current expenses	Rank
Alabama	2.92	18
Arizona	3.14	13
Arkansas	2.49	29–30
California	2.87	19
Colorado	2.76	21
Connecticut	1.90	47
Delaware	1.96	45–46
Florida	2.57	26
Georgia	2.61	25
Idaho	3.18	12
Illinois	2.04	43
Indiana	2.26	33
Iowa	3.34	7
Kansas	2.77	20
Kentucky	2.14	40
Louisiana	3.12	14
Maine	2.25	34
Maryland	2.24	35–36
Massachusetts	1.88	48
Michigan	2.19	37–38
Minnesota	3.24	10–11
Mississippi	3.00	16
Missouri	2.07	42
Montana	3.45	6
Nebraska	2.66	24
Nevada	2.16	39
New Hampshire	2.41	31
New Jersey	2.30	32
New Mexico	3.90	2
New York	2.12	41
North Carolina	3.08	15
North Dakota	3.61	4
Ohio	1.98	44
Oklahoma	3.24	10–11
Oregon	3.25	9
Pennsylvania	2.19	37–38
Rhode Island	1.96	45–46
South Carolina	3.32	8
South Dakota	3.49	5
Tennessee	2.49	29–30
Texas	2.56	27
Utah	3.75	3
Vermont	2.75	22
Virginia	2.51	28
Washington	2.74	23
West Virginia	2.97	17
Wisconsin	2.24	35–36
Wyoming	3.99	1
United States	2.43	

Table 2 shows the relative amount each State must put into the $400 million annual fund and the amounts each State would get back if the bill is enacted into law.

This compilation refers specifically to H. R. 7535, the Kelley bill, which provides grants up to $400 million for each of the next 4 fiscal years for schoolhouse construction in the States, making a total possible expenditure of $1,600,000,000 in the 4-year period under title I of the Kelley bill. The table following has been compiled from the official Bureau of Internal Revenue report on collections from the States for the fiscal year 1954. This compilation shows the percent of revenue collected in each State in fiscal 1954, the relative amount of dollars each State will have to contribute to a $400 million fund in fiscal 1956 for grants to the States, and the amount which will be returned to each State as grants-in-aid for schoolhouse construction. This compilation is accurate within one-half of 1 percent.

State	Percent contributed	Dollars they will put in	Dollars they will take out
Alabama	0.542	$2,172,000	$8,968,658
Arizona	.232	928,000	2,537,686
Arkansas	.226	904,000	5,313,957
California	7.620	30,480,000	27,545,819
Colorado	.897	3,588,000	3,611,322
Connecticut	1.841	7,364,000	4,782,562
Delaware	1.288	5,152,000	835,050
Florida	.967	3,868,000	7,623,902
Georgia	1.002	4,008,000	10,237,501
Idaho	.153	612,000	1,691,790
Illinois	8.228	32,912,000	20,247,262
Indiana	2.287	9,148,000	10,226,657
Iowa	.755	3,020,000	6,420,128
Kansas	.719	2,876,000	4,750,027
Kentucky	1.900	7,600,000	8,317,970
Louisiana	.774	3,096,000	8,090,229
Maine	.244	976,000	2,244,876
Maryland [1]	2.726	10,904,000	16,202,148
Massachusetts	2.719	10,876,000	10,573,691
Michigan	8.711	34,844,000	17,058,887
Minnesota	1.516	6,064,000	7,699,816
Mississippi	.200	800,000	6,506,886
Missouri	2.532	10,128,000	9,174,710
Montana	.167	668,000	1,594,187
Nebraska	.585	2,340,000	3,220,909
Nevada	.121	484,000	466,327
New Hampshire	.178	712,000	1,279,688
New Jersey	2.944	11,776,000	11,343,672
New Mexico	.152	608,000	2,320,790
New York	18.794	74,996,000	32,794,708
North Carolina	2.206	8,824,000	12,178,549
North Dakota	.091	364,000	1,724,325
Ohio	6.734	26,936,000	20,236,416
Oklahoma	.894	3,576,000	5,715,215
Oregon	.611	2,444,000	3,893,287
Pennsylvania	7.612	30,448,000	25,105,737
Rhode Island	.424	1,696,000	1,778,549
South Carolina	.361	1,444,000	7,005,748
South Dakota	.102	408,000	1,724,325
Tennessee	.729	2,916,000	9,174,710
Texas	3.120	12,480,000	21,982,431
Utah	.424	1,696,000	2,168,962
Vermont	.108	432,000	965,188
Virginia	1.539	6,156,000	9,207,244
Washington [1]	1.184	4,736,000	6,355,059
West Virginia	.419	1,676,000	5,747,750
Wisconsin	1.857	7,428,000	8,740,918
Wyoming	.081	324,000	780,826
Hawaii	.194	776,000	1,409,825
Possessions			422,000
Total	99.656	398,664,000	400,000,000

[1] Compilation for Maryland includes District of Columbia and Puerto Rico, while that for Washington State includes Alaska. The possessions are American Samoa, Canal Zone, Guam, and Virgin Islands.

Government Should Provide Disaster and Flood Insurance

EXTENSION OF REMARKS
OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. BOLAND. Mr. Speaker, the House Banking and Currency Committee is now conducting hearings on several disaster and flood insurance bills that have been introduced in this session.

The terrible destruction caused by the 1955 floods in the Northeastern States and in California has resulted in an open market for such insurance, but private companies are unable to offer the necessary protection due to the enormous risk factor.

It is apparent that private citizens and private enterprise cannot for long sustain such great economic losses without it having an extremely detrimental effect on the overall economic condition of some of the Nation's most productive areas.

I am sure that private insurance companies are sympathetic to the need for such insurance, but cannot accept risks that might bring about bankruptcy and destroy the protection against other losses presently being given existing policyholders.

Therefore, I think it is clearly the responsibility of the Federal Government to meet this need by providing disaster insurance. With this view in mind, I have filed a bill that will provide for an insurance and reinsurance program for citizens and business.

Use of United States Ships in Disposal of Surplus Agricultural Products

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, the Merchant Marine and Fisheries Committee has been holding open hearings on the administration and operation under Public Law 664, 83d Congress, the so-called preference law. The committee has been particularly interested to ascertain the effect on disposal of surplus agricultural products of the 50–50 law which requires that at least 50 percent of the gross tonnage of Government-financed or owned cargoes be transported on private or United States flag commercial vessels, to the extent such vessels are available at fair and reasonable rates.

It was gratifying to me as a member of the committee to have Mr. Gwynn Garnett, Administrator of the Foreign Agricultural Service, in direct answer to my question, say that the disposal program has been successful. This morning a representative of the State Department agreed that the program has been successful also. It should be emphasized that this program has not cost the farmers of this country one cent. The cost to the Government has been very modest in relation to the benefits. Since there are certain foreign governments with merchant marines of their own which have been pressing for the elimination of the cargo-preference clause, and the matter may come up for consideration, I have introduced H. R. 8997, a bill providing that 100 percent of these cargoes be transported in American vessels. In all fairness, I have thought that if consideration is going to be given to a change that it might well include a change that would help our national interest rather than one which would hurt it. I have advised the Merchant Marine and Fisheries Committee that I shall not ask for a hearing on this measure, unless the interests opposing the preference cargo become active.

Meanwhile, I do hope the Members of Congress who represent agricultural districts will recognize the advantage to agriculture of maintaining a merchant marine. Particularly, the interest to exporters should be stressed in having American ships on the sea routes and in shipping conferences in order to protect them against manipulation by foreign dominance of ocean freight structures. We are helpless in competing in world markets without the American merchant marine.

Secondly, it should be recognized that the entire program of disposing of surplus agricultural products may well be jeopardized if shortsighted efforts are made to eliminate the 50–50 preference cargoes.

Protect Our Armed Services Abroad

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PHILBIN. Mr. Speaker, a wave of protest is spreading over the country against the status-of-forces treaty. The enormity of the deprivation of the rights of American servicemen and women permitted under this treaty is speedily coming to light.

The Bow amendment which was passed by the House by a substantial margin evidenced the real opinion of the country. It provided that hereafter no American military serviceman could be stationed in any foreign country to which the United States has surrendered criminal jurisdiction of the American military personnel. Unfortunately, it was not accepted by the other body.

I am unable to discern any single, real, substantial justification for the present status of forces treaty arrangement. It is said by the proponents that the treaty provides reciprocal rights, that we are able to try foreign military personnel in American courts just as we confer the right on foreign courts to try American boys. However, it is not pointed out that foreign personnel are tried under American law which guarantees complete due process to the accused—a full statement of the specifications of the crime alleged, right to bail, presentation to the grand jury in all serious cases, fair trial by an unbiased judge and jury, confrontation of witnesses, presumption of innocence, entitlement to counsel, and all other constitutional safeguards to which any accused is entitled in our courts under the Constitution and the law.

It must be recognized that in many countries where our boys are stationed the law does not provide these safeguards, indeed some of them do not comply with the fundamental requirements of due process as known to our constitutional law. There is no justification whatever for this country continuing such an arrangement that is so unfair and unjust to those who are making greatest sacrifices to serve the Nation and who are entitled to the full protection of our Government.

This arrangement has been defended on the grounds that our friends abroad will continue to cooperate as they have in the past in turning over those charged with offenses against their laws to our own military courts for trial. However, the arrangement has not worked out that way. Foreign nations are not surrendering any of our accused troops for trial by our military and they are not meeting the expectation held in high quarters that they would act in this manner.

It strikes me that this is another instance of ill-advised appeasement of foreign nations and so-called reciprocity in which our Nation, as usual, does most of the reciprocating.

If State Department employees are immune from this treaty, there is all the more reason that members of the Armed Forces should also be immune, and I hope that the administration and the Congress will soon act to correct what is becoming truly a scandalous infringement of the basic rights of our beloved servicemen and women serving in foreign countries.

Dedication of Stoddard Reserve Center Memorial

EXTENSION OF REMARKS

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. DONOHUE. Mr. Speaker, I should like to include the brief address I made on the occasion of the dedication, last October 23, 1955, of the United States Army Reserve Training Center in Worcester, Mass., as a memorial to the late Lt. Col. Lincoln W. Stoddard, a World War II combat veteran with 44 months' service in the Pacific theater of operations.

Colonel Stoddard, who relinquished a commission to enlist as a private in the 180th Field Artillery Battalion of the Massachusetts National Guard's famous 26th—Yankee—Division, received five decorations and numerous citations for "performance beyond the ordinary call of duty."

Colonel Stoddard, son of Mr. and Mrs. Harry G. Stoddard, of 7 Massachusetts Avenue, was associate editor of the Worcester Telegram and the Evening Gazette when he died suddenly while on Golden Rule campaign work.

The address follows:

SPEECH AT THE DEDICATION OF LINCOLN W. STODDARD ARMORY, WORCESTER, MASS, OCTOBER 26, 1955

It is a privilege to take part in these armory dedication exercises in tribute to and in memory of our late heroic friend and neighbor, Lt. Col. Lincoln W. Stoddard.

In the definition of the dictionary, an armory is a large building in which to store war instruments, containing a drill hall and related military facilities.

In a deeper Christian sense an armory is an arsenal of discipline. The discipline of

mind and will that is here developed by military practices is founded upon the religious belief that man is a spiritual being created by the Almighty. Such a discipline achieved is the highest ingredient of a truly civilized society.

The unhappy necessity for this armory is our practical recognition that there are similar institutions in another land where the training discipline is based upon the atheistic principle that man is merely a material thing existing only for the service of the state, which is almighty. It is vital, therefore, that we remain constantly prepared to meet not only any sudden forceful acts, but even more, perhaps, the insidious pagan influence of the opposing atheistic power.

In this armory American youth is disciplined in military proficiency to fight, and die if necessary, in defense of the God-given blessings of life. In the atmosphere of the Christian discipline here, our American youth understand that the ultimate objective of their military skill is peace; a civilized peace, in which the Creator's gifts to mankind of individual liberty, justice, and freedom can be humanly enjoyed. So long as we commonly understand and are dedicated to military discipline for that purpose, America will prevail against any totalitarian state.

Lincoln W. Stoddard was a man of superior mind and will and talents. He loved his family, his fellow men, his country, and its freedoms with religious convictions. He thoroughly understood the discipline of man under God. In the spirit of that discipline, he was willing to give up his life for his country and his own principles. It is, then, supremely appropriate that we dedicate this armory in his memory. To all who enter and leave here, the name of Lincoln W. Stoddard will be an inspiration of reminder that the discipline they receive is to be consecrated only to the Christian objective of promoting peace on earth and good will among men. That is the inspiration which he has left to all of us.

Statement on Israel and the Middle East

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, under permission to extend my remarks, I include the statement which I endorsed on the Middle East situation on October 10, 1955. Today, with the situation more tense, I stand on this statement even more strongly than I did previously.

STATEMENT ON ISRAEL AND THE MIDDLE EAST

Recent developments in the Middle East have reemphasized the necessity of establishing peace in that troubled area. Widespread sale of arms to Egypt and other Arab powers by the Communist countries is an ominous indication of the unwillingness of these States to maintain peace and is further proof of the instability of the Arab countries. Under these conditions, the United States should reassert its willingness to guarantee Arab-Israel borders through formal treaty obligations.

The declaration of such a plan by Secretary of State John Foster Dulles on August 26, 1955, encouraged those of us who believe that our own security and the prevention of Communist expansion is dependent upon a peaceful solution of Middle Eastern tension. Unless this Government takes such a strong position, border clashes and a tragic arms race will ensue. A conflict could only result in an increment to Communist strength and unnecessary harm to the democratic State of Israel, whose very existence under United Nations sponsorship is a responsibility shared by our Government.

Therefore, I urge that an additional assurance be given to Israel that it will be protected and that warnings be made to Egypt that aggression with Communist-supplied arms will be regarded by the United States in a most serious light.

Shipments of Arms to Egypt

EXTENSION OF REMARKS

OF

HON. GORDON CANFIELD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. CANFIELD. Mr. Speaker, concerned about the shipments of arms to Egypt by Czechoslovakia with the blessings of the Soviets and believing we cannot delay action on Israel's request for defensive arms, I present copies of letters I have directed to Secretary of State John Foster Dulles; also, a copy of a resolution adopted last Monday night by the American Zionist Council of Paterson, N. J.

The letters and resolution follow:

NOVEMBER 9, 1955.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: I am deeply concerned that Czechoslovakia, with the approval of the Soviet Union, is furnishing arms to Egypt, obviously to be used against Israel.

Here is a definite threat to the peace of the Middle East and the whole free world.

While I do not advocate a competitive arms race, I am ever mindful of the oft-repeated aims of world conquest expressed by the Communist leaders of the Kremlin. The time to take strong preventative action against serious trouble is now, and in the event this fails we simply cannot permit the people of Israel to become defenseless.

I cannot help but feel that our Government, through your good offices, is properly appraising this dangerous situation and preparing to take swift action if such is warranted.

With assurances of my high esteem, believe me,

Very sincerely,

GORDON CANFIELD,
Member of Congress.

JANUARY 28, 1956.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: You will recall I addressed you almost 3 months ago expressing my concern over the reported sale and shipment of arms to Egypt by Czechoslovakia with the apparent approval of the Soviet Government.

The little Republic of Israel, providing a long-sought homeland for so many of the persecuted and wandering Jews of Europe, was brought about in no little measure as a result of the interest and support of the American people and their Government. We have called it "a bastion of democracy in the Middle East," and we have helped nurture its rapid progress.

As one who has supported the movement for the homeland years before its consummation and all of our Government's programs extending needed aid in recent years, I hold we cannot delay action on Israel's request for defensive arms. According to reports, tension mounts daily, and it is unthinkable we would permit this small and friendly nation to be placed in a position it could not adequately protect its people because of any equivocal or unrealistic position on our part.

I am mindful of your own strong dedication to the maintenance of world peace, and I feel certain that you are aware of the threat in this Middle East area and will act accordingly.

With assurances of my high esteem, believe me,

Very sincerely,

GORDON CANFIELD,
Member of Congress.

RESOLUTION OF AMERICAN ZIONIST COUNCIL OF PATERSON, N. J.

We, the assembled members and friends of the American Zionist Council of Paterson, representing 20,000 citizens, are viewing with alarm the Communist arming of Egypt and other Arab states, the mounting Arab threats to the security of Israel, the attacks upon American institutions, and the insults to the American flag in Arab countries, and call upon the Government of the United States to strengthen the American position in the Middle East by supplying arms for defense to Israel, a stanch friend and reliable ally of the United States.

We welcome the effort of Secretary of State John Foster Dulles to establish peace between Israel and her neighbors, but we call upon our Government to reject the proposal of the Prime Minister of Great Britain to appease the Arab dictators and to force the surrender to them of parts of Israel's territory. We trust that the United States will not swerve from the path of justice and will continue determinedly to uphold Israel's independence and the integrity of her borders.

How Mr. Summerfield Shortchanged Our Postal Employees

EXTENSION OF REMARKS

OF

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. ASHLEY. Mr. Speaker, a number of our conscientious postal workers have come to me with a complaint against the Post Office Department which I believe to be soundly justified. In all fairness to our postal workers corrective action should be taken.

I would like to take a few minutes of the House's time to describe the circumstances under which employees of our Post Office Department were given reduced pay for December 1 and 2 of last year.

Under Public Law 68, the new postal pay bill which Congress passed last session, the Postmaster General was given discretionary authority to put the act into effect at any time within 180 days after the date of enactment. Postmaster General Summerfield chose December 3, a Saturday, as the date to convert to the higher wage scales. This date, the Department explained, was chosen

primarily for administrative considerations in order to simplify their bookkeeping for compensatory time in the future and to allow for a pay lag of 7 days.

But what did the selection of this particular date do to the postal employees? They received their regular salaries through Wednesday, November 30, and the new law did not go into effect until Saturday, December 3. So what happened to December 1 and 2? Employees were paid for these 2 days on a daily basis set under the old law which specified, in section 7, that a 360-day base should be used in figuring daily rates. Annual salaries were therefore divided by 360. An employee earning $3,600, for example, got $10 for each day. This assumed that Saturdays and Sundays not worked were also figured at this $10 rate to arrive at an annual total wage of $3,600. But what of the new law? Under Public Law 68, Saturdays and Sundays not worked are not counted because a new biweekly pay method of computing on the basis of a 5-day workweek was instituted. Therefore, when the Postmaster General chose Saturday for the conversion date, he deprived the postal workers of getting the pay they would have earned under the old law for these 2 days, Saturday, December 3, and Sunday, December 4. Nevertheless, he went on to figure the pay for December 1 and 2, Thursday and Friday, on the basis of a 360-day year which assumes Saturdays and Sundays are included.

This is commonly known as dirty pool where I come from. By all fair standards, if they used the 360-day pay basis as set forth in the old law, they should have counted the days worked as defined under the same law. In other words, through what appears to be a deliberate attempt to shortchange the employees, our postal workers received reduced pay for these 2 days.

How could this injustice have been avoided? Very simply. The most obvious solution would have been to put the new schedule into effect at the end of the old pay period on December 1 with no lapse of time. Another alternative would have been to convert to the new schedules on Monday, December 5. Under this plan, Saturday and Sunday would have been figured under the old law. Or any number of other days, I am advised by experts on the House Post Office Committee, would have allowed the Department to get its bookkeeping in proper order, and at the same time would have given the postal employees the pay they earned and deserved.

Of course, we may say that this is all academic. The yearly pay of our postal employees is the same regardless, and by next December 3 they will have received the same amount as they would have 1 year after a December 1 or December 5 conversion. This is true. But the fact still remains that their take-home pay for December 1 and 2—those abandoned days between statutes—in effect, was less. And I feel that some action should now be taken to rectify this.

Complaints were made to the Department last December questioning the legality of the Postmaster General's choice of dates. The Comptroller General has ruled that the selection of Saturday, December 3, was legal. But, as has been pointed out by postal regulation experts, the selection of any number of other days more advantageous to the postal employees would also have been legal. Unfortunately, once such a decision is made and declared legal, it cannot be changed administratively if it will cost the Government more.

Complaints are still coming into my office from postal workers—and I have taken them up with the Post Office and Civil Service Committee. I am advised that nothing short of legislative action can correct this situation, which is legal by the letter of the law, but which subverts its spirit, and places a burden on the individual postal employee. I can understand the Department's interest in arrving at reduced costs to the taxpayer through future savings which they say will result from the streamlined bookkeeping methods instituted under the new law. This I heartily endorse. But it should not be done at the expense of our loyal postal employees. If morale is injured by callous administration of a law intended to help our hardworking postal people, no amount of administrative shortcuts will give us the efficient postal service we want and must have. I am hopeful that, with the proper concern registered by the Congress, some action can be taken to pay our loyal postal employees their just due.

Readjust Postal Classification of Educational and Cultural Materials

EXTENSION OF REMARKS

OF

HON. JAMES C. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. DAVIS of Georgia. Mr. Speaker, today I have introduced legislation to aid churches, libraries, and religious and educational organizations in the dissemination of educational and cultural materials by removing from the law an undue restriction on the mailing of these materials under the special rates provided for them by Congress for some time past. My bill also will correct inconsistencies in the postal classification of these materials and clarify its application.

The dissemination of educational and cultural materials through the postal system is a well-established national policy. Provision for nationwide mailing at equal rates is essential if all areas of the country are to have access to these materials. Nationwide mailing rates for reading matter in newspapers and magazines dates from 1879 and for books from 1938. Special rates on library books exchanged between libraries and between libraries and readers were established in 1928 and repeated in the Postal Rate Revision and Federal Employees Salary Act of 1948.

Under present law the special rates for books and similar educational and cultural materials, mailed to or from libraries, religious, and other nonprofit organizations, apply only to mailings addressed for local delivery or for delivery in the first, second, or third zones that apply to fourth-class mail matter. These materials, therefore, generally must be mailed at higher fourth-class rates when they go beyond these limits, which prevents equal access to educational and cultural materials in all parts of the country. The increased cost for mailings beyond the third zone is an unwarranted burden on the dissemination of these materials which will be removed by my bill.

This legislation also spells out in detail the types of materials that may be mailed under these special rates, such as books, music, academic thesis, other library materials, film, filmstrips, projected transparencies and slides, microfilms, sound recordings—on magnetic tapes, wire, or other mediums—and similar forms of educational, instructional, research, and cultural material. The rates will apply to mailings of such matter to or from schools, colleges, universities, public libraries, and religious and other eleemosynary and nonprofit organizations.

This readjustment of the postal-rate structure for educational and cultural materials is necessary in the public interest, and I intend to request that it be scheduled for early action in this session.

The Honorable Albert Gallatin

EXTENSION OF REMARKS

OF

HON. THOMAS S. GORDON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. GORDON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement that concerns an eminent American gentleman of Swiss descent, the Honorable Albert Gallatin:

The celebration on January 29 of America's second Secretary of the Treasury, Albert Gallatin, provides an occasion for remembering this great Swiss-American who was born in Geneva in 1761 and came to this country 19 years later.

Like so many other foreign-born Americans, Gallatin contributed greatly to the development of his adopted land. As the founder of the House Ways and Means Committee, he proved himself one of the ablest Congressmen of his time.

Remembering him gives rise to the thought of the splendid relations that have prevailed between the land of his birth and his adopted country for almost 200 years.

This cordial relationship has proved beneficial in many ways but it is of special interest to note, here, that my State of Illinois profited in 1954 to the extent of nearly $10 million in sales to Switzerland, to rank as one of the leaders among the 48 States.

Trade Versus Freedom

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PHILBIN. Mr. Speaker, a great many people believe that the so-called truce in Indochina and Korea evidences a further deterioration of free world unity and emphasizes the alarming growing strength of world communism. To be sure the truce was short lived. Recent events in the Far East abundantly illustrate the continuing aggressive spirit and designs of Red China.

Candor compels me to suggest that it should now be manifest to every thinking observer that communism is continuing to make great headway in Asia just as it has done in certain parts of Europe. In fact, there is no nation in the world today fortunate enough to be free from the ravages of the evil conspiracy which seeks the destruction of human liberty.

The Marxist timetable established long ago is unfolding with almost unbelievable rapidity in the Asian theater. The Reds have capitalized upon the tremendous resentment and rebellious spirit aroused by the evils of European colonialism and imperialism in the East. The conquest of China and Korea and the Indochina truce have tended to diminish American prestige in Asian countries. Communist infiltration, strong pro-Communist sentiment among the leadership of certain of these countries are other factors extremely favorable to the spread and growth of sovietism in the Far East.

The attitude of some of our allies who insist upon carrying on extensive trade and commercial intercourse which strengthens the war potential of the Communist world is making it increasingly difficult for our own Nation to secure real cooperation in effecting measures to check further Red aggression and expansion. It must be clear to us now that so long as some nations sharing our attachment to free institutions think more of securing temporary economic benefits flowing from Soviet trade than they think of strongly sustaining the cause of the free world and joining in efforts to liberate unfortunate smaller subject nations from tyranny and slavery, conditions will be favorable for additional Soviet aggression and expansion.

Many Americans are disturbed by the ironic paradox of some of our allied nations who are apparently willing to resign themselves to a precarious and dangerous status in this atomic age with those who are militantly striving for complete world conquest. Practically everyone is interested in peace and there is no question whatever that the American people to a man and to a woman, are eager to cooperate with all nations which sincerely seek peace through collective security measures.

As a Nation we undoubtedly squarely stand for genuine wholehearted international cooperation to achieve lasting peace and to check those dangerous movements which threaten to disturb world peace.

Actually at the present time there is only one challenging movement and that is organized world communism and because of its nature, its aims, its secretive methods, its deceitful practices, its willingness to resort to trickery, deception and aggression, it is impossible for free nations to conduct sincere or satisfactory peace negotiations.

Another extremely discouraging development is the apparent apathetic attitude of other free nations which seem to be indifferent to the great perils of the world Communist conspiracy, or who are willing to foster cordial, economic relationships with Communist enemies even while they openly engage in aggression and subversion. All these things are extremely distressing to the American people and tend to diminish their confidence in the effectiveness of collective security measures.

Notwithstanding the obstacles and disappointments, let us take a strong, firm stand against the Communist peril and let us work unceasingly for the peace.

Construction of Government Buildings in Large Metropolitan Areas

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, complexities of modern living and transportation have given rise to many new problems with respect to the construction of Government buildings in large metropolitan areas. One of the major problems is that of adequate parking. Some of our large cities have already incorporated parking provisions into their building codes. Unfortunately, however, in the majority of cases no such provision exists. Consequently, except in instances where it is required by ordinance, no parking facilities are required in construction of Federal plants.

The postal department is presently engaged in a large scale new construction program with proper parking furnishing one of the major headaches. Recognizing the seriousness of this problem, I have introduced H. R. 9135, to provide adequate parking facilities for employees and patrons where needed in all recent, present, and proposed construction of postal installations. I hope the distinguished Members of this House will give this legislation serious consideration. Traffic conditions in any of our larger cities are a major factor in any new construction.

A case in point is my own city of Seattle, where the Postal Department has just completed construction of a vast new postal annex to serve this ever-expanding community. This beautiful new facility, a source of pride to employees and patrons alike, has no parking facilities of any kind save the surrounding busy streets and avenues. This creates an almost impossible situation for literally scores of postal employees who for one reason or another are compelled to use private cars in going to and from their jobs. An equally bad situation is imposed on the patrons whom this station was designed primarily to serve. Every attempt made thus far to solve this problem administratively has failed; hence the recourse to legislative action. If this legislation receives the approval of Congress, which I believe it richly deserves, an important step forward will have been taken toward solving a portion of the complex traffic problems besetting our modern cities of today.

Libya: Official Washington Notes Its Independence Day

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. BOLAND. Mr. Speaker, the independence of Libya was marked yesterday by the Libyan Embassy. The United Kingdom of Libya was proclaimed a free and independent state on December 24, 1951. It was officially celebrated yesterday with the opening of the new Libyan Embassy quarters. The independence of Libya stemmed from a United Nations resolution of November 21, 1949.

Mr. Speaker, it was my privilege and pleasure to have visited Libya last December. I was deeply impressed by the spirit of its people, the dedicated character of its leaders, and the progress toward a better life for its people which it is making under very difficult circumstances. The United Kingdom of Libya lies along the Mediterranean Sea and is bounded on the east by Egypt and the Sudan; on the south by French, West, and Equatorial Africa; and on the west by Tunisia and south Algeria. The country covers an area of 680,000 square miles—about one-fourth the size of the United States. It is divided into three provinces: Tripolitania, Cyrenaica, and the Fezzan. The total population is about 1,500,000, with 75 percent engaged in farming. Farming is difficult because the land is scarce and the methods are not modern. The agricultural land represents 5 percent of the area of Libya, with 1 percent being arable and 4 percent grazing land. However, the Libyan Government, with the assistance of the United States, is making great strides in teaching new farming methods and attempting to get more land under cultivation. I am pleased to inform the House that the United States officials are doing a magnificent job. Ambassador John L. Tappin, the Deputy Chief of Missions David G. Nes, the Director of the ICA Mission Mr. Marcus Gordon are men of whom the State Department can be proud. Their tremendous interest in

Libya and their personality, together with that of their assistants, is bringing about a basic friendship with the Libyan Government and its people that augurs well for our future. Wheelus Air Force Base in Tripoli is one of the finest air bases in that part of the world. Its essentiality to the United States cannot be argued. The commanding officer of the field, Col. William Kane, is to be congratulated on the excellent manner in which he exercises his command.

Mr. Speaker, I take this occasion to congratulate and felicitate King Idris I, Mustafa ben Halin, Prime Minister and Minister of Foreign Affairs, and his Cabinet, and the Ambassador to the United States, Saddigh Muntasser, on the celebration of Libyan Independence Day.

The Importance of Belonging to a Political Party

EXTENSION OF REMARKS

OF

HON. JOHN V. BEAMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. BEAMER. Mr. Speaker, under unanimous consent, I wish to insert in the CONGRESSIONAL RECORD the speech by the Senator from Ohio, the Honorable GEORGE H. BENDER, which he gave before the Young Republican Leadership Training School held in Washington during the week of January 23, through January 27.

The speech follows:

THE IMPORTANCE OF BELONGING TO A POLITICAL PARTY

(By Senator GEORGE H. BENDER)

The history of America is the history of our political parties. You cannot think of our country's development in any other terms. From the days of the American Revolution right down to the present time, our country has believed in the power of political action. Politics has been our lifeblood from the 1760's right on down.

Colonial legislatures were the fountainhead of every major program in our fight for independence. In 1768, Samuel Adams drew up the famous Massachusetts circular letter. It denounced the decrees of the British Government, and it was approved by the courageous House of Representatives of Massachusetts. The Revolutionary Party was the first political party in our country's history, even though it was illegal. The Sons of Liberty had no opportunity to grow into a political party, but they had all the makings.

By the time of our first President, two strong and opposing political elements were on the scene. The Federalists under Hamilton and their opponents, the strangely named Democratic-Republicans under Jefferson represented basic and conflicting viewpoints. This difference of opinion on important issues has been the trademark of political developments ever since.

Unlike the experience of many European countries, ours has been an emphasis upon broad agreements. In France and in Italy, relatively obscure intellectual differences express themselves through rigid, inflexible contending political parties. As a result, party lines harden and voters find it necessary to shift from one party to another, from one election to the next.

The parties themselves are so dogmatic in their views that they cannot accommodate people who differ only slightly among themselves.

In our country, the political parties are, basically, coalitions. We have room within the Republican Party for people of diverse specific beliefs as long as they share our fundamental point of view. The Democratic Party finds itself in much greater difficulties on this score. To have the same political party speaking for desegregation in the North and segregation in the South is a gymnastic feat which even Messrs. Stevenson and SPARKMAN found impossible 4 years ago. But they are still in there trying to do it.

Our own party occasionally finds it impossible to absorb all the people who are originally attracted to it. In one notable case, we found that a political marriage "for better or MORSE" was not made in Heaven, but we don't contract too many of these. By and large, our Republican Party succeeds by assimilation, not elimination. We are broad enough in our outlook to welcome people of every background, as long as they believe in our system of free enterprise and individual initiative.

This is all obvious and true, but it leads me to the $100,000 questions. Why should anyone join a political party? Why should anyone commit himself to the support of one party? I think the answer is self-evident.

The late Peter Marshall gave it to us in his own clear, simple language. He prayed, "Oh, God—let us stand for something, lest we fall for anything."

All of us can join in this prayer. Anyone looking at the world scene today must realize that the major problems which beset us are due directly to the failure of good men everywhere to stand together for something. Political organizations are, in the last analysis, groups of men and women who stand for something.

Let me give you a few propositions. Most young people still remember their geometry, and so I shall put these propositions to you as modern-day Euclid.

My fundamental axioms are these: If any emergency arises to threaten our Western citization, it must be met by the united action of free nations. Our free nations must act effectively and promptly. This action requires political decisions. Decisions cannot be rendered by indecisive people who do not know where they stand, where they are going, or where they have been.

Let me emphasize this last idea because it represents one of the peculiar misconceptions of our time—the trend toward political independence.

Frankly, I believe that political independence means nothing but political indecision. The so-called "independents" like to think of themselves as voting for the man and not for the party. But the man and his party are inseparable in our country's political machinery. No one in the Congress of the United States votes as an "independent" upon public issues. No one in the Senate votes independently upon the organization of the Senate—or upon the confirmation of appointees nominated by the President. A man may vote with his party or against his party on particular issues, but he never votes independently of his party, even if he thinks he is voting that way. If he finds himself voting in opposition to the majority of his party most of the time, he ought to get out and join the other party.

Why should young people join the Republican Party? The Democrats claim to be "liberals" in quotation marks. "Liberal" is a fine, high-sounding word. But when we stop to think a moment, we remember that every radical, every demagog, every Communist in history has stolen the word "liberal," to pervert it to his own use.

The Republican Party for 100 years has represented the idea of constitutional government. We stand for the principle enunciated eloquently by the great Senator from Ohio, whom it was my privilege to call friend, the late Robert A. Taft. Bob Taft said that "liberty under law" was the watchword of the Republican Party. He believed in progress under the Constitution; in the protection of human rights—and property rights which are fundamental elements of human rights.

As Republicans, we believe in the distinction between ourselves and the Democratic Party. There are some areas in which both parties are in agreement, but there are larger issues upon which we differ fundamentally. We differ in our approach to world peace. The Democrats think in terms of personal conferences behind closed doors, where Yaltas and Potsdams and Teherans can blossom in secrecy. We believe in world diplomacy, in publicly declared, publicly subscribed agreements among the nations of the earth. In our approach to the spending of Federal funds, the importance of a balanced budget, we are in sharp disagreement with our opponents. They do not consider the reduction of taxes as anything larger than a popular campaign issue. They regard the Federal payroll as a jet-driven flying carpet, designed to soar upward into the stratosphere. We have never accepted these attitudes toward government, even when we were compelled by temporary need to increase payrolls and spend large sums.

There are some people who pretend that they can pick and choose the principles of both parties at their convenience. Some candidates for office have adopted this pretense. I am happy to say that these folks are not found often in the Republican camp. They are usually confused Democrats who would like to be Republicans but lack the courage to make the leap of faith. Our voters seldom share this confusion. They have an uncanny knack for discovering political hypocrisy wherever it arises.

Americans like their politics straight. That is why we have political platforms. The first party platforms ever adopted in our country were written out exactly 125 years ago by a young national Republican convention here in Washington. Some folks say that party platforms are meaningless. This is not true. They are important and significant.

In the State which I represent in the Senate, our law requires each candidate to sign a declaration under oath pledging his support to the national and State platform of his party. Anyone who signs that declaration not intending to carry it out should be disqualified to speak for his party. Anyone who does sign it must work to carry out the platform.

I am convinced that the future of our country is tied up with the continuing growth of stronger political organizations. For many years, there has been a current of discontent with politics and politicians. This current is showing signs of ebbing. More and more, young people are interesting themselves in politics and in the prospects of political careers. They are discovering that the great game of politics is more than a pastime. It is an absorbing and vitally important life interest.

Today, we must recognize realistically that the political decisions being made by our country will determine our future. We have resisted the Communist effort to drag the world over the "brink of war." I am sure that America approves our resistance. I am equally sure that America did not approve the Democratic Party in its sad record of rushing over the brink into three wars within a single lifetime.

These are the issues which make political parties. You young Republicans have chosen to cast your lot with the party which

emphasizes individual freedom, personal initiative, and the dynamic expansion of America. I hope that you will persuade your friends to join you in belonging to a political party—and make that party our party.

Sale of Government-Owned Synthetic Rubber Producing Facility at Institute, W. Va.

EXTENSION OF REMARKS

OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. BYRD. Mr. Speaker, under previous leave to extend my remarks, I am including in the RECORD a statement which I made earlier today during hearings conducted by the Senate Committee on Banking and Currency on Senate Resolution 197 which would disapprove the sale of the Institute, W. Va., synthetic rubber-producing facility to Goodrich-Gulf Chemicals, Inc.:

STATEMENT BY ROBERT C. BYRD, M. C., SIXTH DISTRICT OF WEST VIRGINIA, BEFORE THE SENATE COMMITTEE ON BANKING AND CURRENCY, FEBRUARY 1, 1956

Mr. Chairman, I am ROBERT C. BYRD, Representative of the Sixth Congressional District of West Virginia. I appear before your distinguished committee today for the purpose of opposing Senate Resolution 197, which would disapprove the sale of the Government-owned synthetic rubber plant at Institute, W. Va. The Institute facility is located in my district, and I am the author of H. R. 7301 which became Public Law 336, 1st session, 84th Congress, and which amended the Disposal Act to direct the Rubber Producing Facilities Disposal Commission to invite proposals and open negotiations for sale of the Institute plant. Pursuant to the enactment of Public Law 336, and in accordance with its terms, the Commission proceeded to invite bids on the Institute plant, entered into negotiation for a contract of sale with Goodrich-Gulf Chemicals, Inc., and submitted its report to the Attorney General. The Commission also submitted a report to the Congress on January 12. According to the law, unless the contract is disapproved by either House of the Congress prior to the expiration of 30 days continuous session following the day the report was submitted, the contract shall become fully effective, and transfer of possession of the facility shall be made. We are presently in that 30-day period, and the resolution before us resolves that the Senate does not favor sale.

Mr. Chairman, I submit for the consideration of your distinguished committee the following reasons why Senate Resolution 197 should not be passed:

1. The Government will receive a full fair value for a facility which has not operated since September 1953 and which annually costs the Government approximately $240,000 to keep in standby. Out of 6 proposals for purchase of the Institute plant, the $11 million offered by Goodrich-Gulf was the only bid which represented full fair value. The next highest proposal was $5.8 million and, although the Commission was indued with discretion to contract for sale of the facility at a price below the highest amount offered, the second highest price does not represent full fair value nor would sale at this price provide for the development of a competitive synthetic rubber industry. Sale of the plant at the $5.8 million figure would actually have constituted a Government subsidy to a private producer and would have given the purchaser an unwarranted competitive advantage over other producers.

2. It is important that, from the standpoint of national security and from the standpoint of healthy competition in the synthetic rubber industry, this facility, with its annual capacity of 122,000 long tons, be sold to private industry and reactivated. Burgeoning demand for synthetic rubber has been taxing the capacity of all other GR–S plants sold, and in order to meet the increased demand, publicly announced plans for expansion have been made by purchasers of the other plants. With the increasing needs for synthetic rubber, it is reasonable to anticipate increasing expansion to meet the needs. New plants will be built in the future, there will be sharp competition among present producers and new producers will undoubtedly enter the field.

3. The development of a free competitive synthetic rubber industry would be better fostered by permitting this facility to begin producing than to allow it to lie idle. Increased production of synthetic rubber would naturally strengthen rather than stifle competition. This fact is recognized by the Attorney General who, in his opinion, stated that the proposed sale would not lessen competition on the production level, because it would create additional production and it would eliminate no competitior. He further emphasized that it would increase competition on the fabricating level.

4. The position of Goodrich-Gulf, should it acquire Institute, will not be one of control. Actually, if Goodrich-Gulf is to maintain its competitive position, it must either acquire Institute or expand at Port Neches. The Attorney General, in his statement of findings, said that the sale of the Institute plant to Goodrich-Gulf will result in its having 25.2 percent of the total GR–S capacity. He proceeded to add, however, that this percentage figure does not take into account any proposed expansion of existing capacities by other competitors. The 25.2-percent figure is based upon the total capacities of GR–S Government-owned plants at the time of the original sale in April 1955, and includes in the total the capacity of the three production lines at Institute. Since that time, the capacities of a number of the plants have been increased, and further increases in the capacities of these plants have been announced. Moreover, only one of the production lines at the Institute plant can be operated during the next 18 months because butadiene is unavailable for the operation of the other two lines. Following is a statistical table which appeared in the Disposal Commission's report, and which mirrors the production of the GR–S industry at various stages of disposal.

Plant	Original plant capacity (long tons)	Percent of 1st disposal (total capacity, 689,600)	Percent with Baytown (total capacity, 733,600)	Including Institute and current announced expansion to 1,091.9 thousand long tons	
				Thousands of long tons	Percent
Institute	122,000			122	[1] 11.2
Goodrich-Gulf	90,000	13.1	12.3	95	[1] 8.7
American Synthetic	44,000	6.4	6.0	44	4.0
Copolymer	49,000	7.1	6.7	61.3	5.6
Firestone-Akron	30,000	18.8	17.7	189.9	17.4
Firestone-L. C	99,600				
General Tire (new plant)	40,000			40	3.7
Goodyear-Akron	15,200	16.6	15.6	149.4	13.7
Goodyear-Houston	99,600				
Phillips	63,000	9.1	8.6	116.3	10.7
Shell	89,000	12.9	12.1	[2] 89	[2] 8.2
Texas-United States	88,000	12.8	12.0	118.8	10.9
United States Rubber	22,200	3.2	3.0	22.2	2.0
United Rubber & Chemical	44,000		6.0	44	4.0
Total	895,000			1,091.9	

[1] Goodrich-Gulf plus Institute equals 217,000 long tons or 19.9 percent.

[2] Shell has announced that capacity will be "materially increased" but assigned no figures to the expansion. In the absence of a specific figure, no expansion could be reflected in the table. The effect of this expansion will be to reduce all other percentages.

5. Goodrich-Gulf has agreed to make available to small-business firms at fair-market prices 50 percent of the production of the first line at Institute, and 73 percent of the production of the next 2 lines. According to the Commission, this commitment in favor of small business is by far the largest firm commitment offered by any of the bidders for this plant.

6. The $11 million bid might well prove to be considerably higher than any which can be obtained at a future time under changed conditions in the rubber industry. Now is the time to sell, while conditions are most conducive. If Congress disapproves this proposed contract, the opportunity for sale of the plant doubtlessly will not return.

Mr. Chairman, in conclusion, an idle plant means unemployment and economic distress. Reactivation of the Institute plant would provide jobs for more than 700 men and women in an area which has been hard hit by mine closures and the economy of which has been severely affected by the loss of coal markets. Thousands of applications for work are on file at the plant now.

Thus, on every count, congressional approval of the sale of the Institute plant seems advantageous to the Government, to the West Virginia economy, and to the consumers of rubber products.

Regardless of the convictions of any Member of Congress at the time the original disposal legislation was passed in the 83d Congress, the facts are that 25 plants have been sold with the approval of an overwhelming majority of both Houses of Congress. One plant has been leased. The 27th plant, Institute, is now up for congressional review. To keep it idle and out of competition with the other 26 plants at this time would seem to be an empty gesture which contributes nothing to the present situation.

The die is cast. The Congress of the United States nearly a year ago decided that the synthetic-rubber industry, born a Government monopoly in World War II, should be denationalized and should revert to private enterprise. Even if the Institute sale is disapproved, it could not possibly change the concept or pattern of synthetic-rubber manufacture today.

Mr. Chairman, I am grateful for this opportunity to express my views before your great committee, and I urge that Senate Resolution 197 not be favorably considered. The way would then be open for final approval and consummation of the sale of the Institute facility.

Middle East Situation

EXTENSION OF REMARKS

OF

HON. SAMUEL N. FRIEDEL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. FRIEDEL. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I am inserting the most recent of the many letters I have written to the Secretary of State, expressing my concern over the Middle East situation. This letter, dated January 23, speaks for itself; however, I would like to make clear that the alarm I feel for the future of the State of Israel is not prompted because I am a Jew. I would feel the same concern for any country whose territorial integrity and security were threatened. It behooves every American to go to the defense of democracy and freedom whenever that democracy or freedom is threatened by annihilation.

Israel demonstrated her loyalty to democracy and proved herself an ally of the United States by refusing every Communist gesture of friendship and assistance, even at the danger of its very existence. Egypt has accepted Communist arms and all the implications that go with them.

The small State of Israel came into existence at the will of the United Nations. It stands to reason she should be given every opportunity to survive and develop in a normal way. Our country, being the first to recognize Israel as an independent country, must consistently feel the responsibility to help protect its existence, as well as its borders. We cannot sit idly by and watch this young country be wiped off the face of the map. As the leading democratic nation in the world today, it is our duty to aid and assist her in this struggle for life.

One of the basic factors which keeps the Middle East in a state of crisis is the absolute refusal of the Arab States to reconcile themselves to the existence of Israel as a State. During the adjournment of Congress, I had the good fortune to visit Israel and learn and see firsthand, the amazing progress she has made during the scant 8 years of her existence. If the Arab people could only be made to realize the economic and social benefits available to them through mutual trade with Israel, I am sure there would be little hesitancy in accepting the United Nations decree that Israel is here to stay.

However, since the Arab States are adamant in their refusal to recognize Israel as an independent country, our Government must act swiftly, justly, and effectively to prevent further aggression and another local war which could well develop into a third world war. The prevention of a third world war is vital to our own national security in this atomic age.

Therefore, we must, No. 1—without delay—make a clear-cut demonstration, through a security guaranty, that our Government will not tolerate Israel's destruction, and, No. 2, we must take measures which will correct the imbalance of power created by the Communist shipments of arms to Israel's neighbors, namely, by promptly supplying Israel arms to be used for the defense of her homeland.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 23, 1956.

The SECRETARY OF STATE,
Washington, D. C.

MY DEAR MR. SECRETARY: May I again stress that I believe it is imperative that our Government grant Israel's request for arms to enable her to defend herself against the threat of Arab aggression. I am convinced that any delay increases gravely the danger to Israel and to democracy. I hope, in addition, that our administration will negotiate a security pact with Israel to guarantee the existing frontiers and that the administration will abandon the idea that any such pact should be postponed until after an agreement is reached with the Arab countries. I see no prospects of such an agreement and I am afraid that the peace propaganda that is now being circulated in Washington is intended primarily for the purpose of deceiving the administration and thus delaying vital action for Israel's defense in the form of military equipment and a security guaranty.

I hope that our Government will reject any proposals that Sir Anthony Eden may have to offer which are aimed at Israel's territorial integrity and security. I am afraid that the British Foreign Office is now trying to bring the United States into line for a pro-Arab and anti-Israel policy.

Sincerely,

SAMUEL N. FRIEDEL.

Hearings on the Administration and Effects of the 50–50 Cargo Preference Act

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, the House Merchant Marine and Fisheries Committee, of which I am a member, has been holding hearings on the administration and effect of the so-called 50–50 cargo preference act. Certain foreign governments have objected to this legislation and our State and Agriculture Departments seem to support their position. On the other hand, the Commerce Department and the Maritime Administrator state that the very existence of our merchant marine depends on this law.

Since our defense is dependent on the maintenance of an adequate active merchant marine and since the objection to the cargo preference act is ideological, I have suggested a substitute. I am having legislation drawn which would substitute a fair labor standard provision for the preference. This would provide that all Government-financed cargoes would have to be transported in vessels regardless of nationality which are manned by crews whose rates of pay and working conditions conform to approved American standards. Thus, my legislation would apply the Davis-Bacon theory to Government-financed cargoes as it does to federally financed construction.

Historical Summary of Committee on Interstate and Foreign Commerce of the House of Representatives

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. WOLVERTON. Mr. Speaker, the Committee on Interstate and Foreign Commerce of the House of Representatives has had a long and outstanding service in the legislative work of the House since its creation as will be readily seen from the following summary of its activities:

ITS CREATION

Chronologically it was third in the order of creation of committees. It was created December 1, 1795, at the Committee on Commerce and Manufactures. In point of time only two committees, Elections—April 13, 1789—and Claims—November 13, 1794—preceded it.

JURISDICTION

In 1819—Annals, pages 708 and 709—the subjects of commerce and manufactures were separated. In early times the Committee on Commerce was sometimes in conflict with Ways and Means over the jurisdiction of subjects relating to duties—volumes 1 to 17, Annals, page 530. In the revision of the rules of 1880 the Committee on Rules reported in favor of restoring to the Appropriations Committee the river and harbor bill, which had more recently been reported from the Committee on Commerce, allowing the Committee on Commerce to frame the bill, but requiring it to be reported to the Committee on Appropriations—volumes 2–46, RECORD, page 200.

The House dissented from this plan, and after long debate agreed to a rule in this form:

> To commence, life saving service, and lighthouses, other than appropriations for life-saving service and lighthouses; to the Committee on Commerce. And the Committee on Commerce shall have the same privileges in reporting bills making appropriations for the improvement of rivers and harbors as is accorded to the Committee on Appropriations in reporting general appropriation bills. (Vols. 2–46, RECORD, pp. 663, 1261).

On December 19, 1883, the Committee on Rivers and Harbors was established, and took the jurisdiction of the river and harbor bill, with its privileges—volumes 1–48, RECORD, pages 196, 214.

CHANGE OF TITLE TO INTERSTATE AND FOREIGN COMMERCE COMMITTEE

In 1892 the present name of Interstate and Foreign Commerce was adopted—volumes 1–52, RECORD, page 653.

This change of title was brought about as the result of a triangular contest for

speakership of the 52d Congress. The candidates before the Democratic caucus were Charles F. Crisp, of Georgia; Roger Q. Mills, of Texas; and William M. Springer, of Illinois.

After 30 ballots were cast a majority was finally secured for Crisp. This was effected by the Springer following going over to Crisp, and in return Springer was rewarded by appointment by Crisp as chairman of the important Committee on Ways and Means. Those who supported Mills were highly indignant because they regarded Mills as the natural man to be appointed as chairman of Ways and Means, he having held that post when the Democrats controlled the previous Democratic House in the 50th Congress. He was author of the famous Mills tariff bill. In order, as it was supposed, to appease Mills and his following, Speaker Crisp appointed Mills as chairman of the Committee on Commerce, but instead of mollifying the angry Millsites they regarded this appointment as sop and a demotion of Mills.

Then, in order to further pacify them the Committee on Commerce was given the more high sounding title of "Interstate and Foreign Commerce." It was freely rumored that Mills would not accept nor serve as its chairman. Be that as it may, the matter was removed from further controversy by the election of Mills to the United States Senate resulting in George D. Wise, of Virginia, the ranking Democrat on the committee becoming its chairman.

JURISDICTION UNDER NEW TITLE

The jurisdiction of the Committee on Interstate and Foreign Commerce remained as formerly until 1935, when the committee was deprived of its jurisdiction over bills dealing with water transportation, Coast Guard, life saving service, lighthouses, lightships, ocean derelicts, Coast and Geodetic Survey, and the Panama Canal, and jurisdiction over those subjects was vested in the Committee on the Merchant Marine and Fisheries—volumes 1–74, RECORD, page 2627.

JURISDICTION UNDER THE LEGISLATIVE REORGANIZATION ACT OF 1946

Pursuant to amendments of rule XI of the House of Representatives as covered by title I, part 2, section 121 (b) of the Legislative Reorganization Act of 1946—Public Law No. 601, 79th Congress—approved August 2, 1946, the jurisdiction of the committee was not changed from above except as follows:

Title V of the Legislative Reorganization Act—the General Bridge Act—was a general consent of Congress relating to construction, maintenance and operation of bridges over navigable waters, other than international bridges, thereby removing the necessity for individual bridge bills being considered by Congress. Under this act these requests go direct to the War Department.

The transfer to the Committee on Agriculture of legislation relating to the Rural Electrification Act.

The addition of legislation relating to the Bureau of Standards, standardization of weights and measures, and the metric system.

Clarifying committee jurisdiction to cover interstate and foreign transportation by water, except that not subject to the jurisdiction of the Interstate Commerce Commission.

Generally speaking, the present jurisdiction of the committee includes the following:

First. Interstate and foreign commerce in general;

Second. Interstate Commerce Commission, having jurisdiction over all forms of interstate transportation, such as railroads, motor vehicles and trucks, and inland waterways, and so forth;

Third. Civil Aeronautics Board and Civil Aeronautics Commission, including all forms of civil aviation, domestic and foreign;

Fourth. Federal Communications Commission, having jurisdiction over radio, television, telephones, telegraphs, and cables;

Fifth. Federal Power Commission, regulating interstate transmission of power;

Sixth. Securities and Exchange Commission, regulating stock exchanges and investment securities;

Seventh. Petroleum, natural gas pipelines, and interstate oil compacts;

Eighth. Public health, in all its phases;

Ninth. Food and drugs, to insure quality and safety;

Tenth. Alien property and claims;

Eleventh. Railroad Retirement, Unemployment and Mediation Service; and

Twelfth. Bureau of Standards, standardization of weights and measures, and Weather Bureau, Fair Trade Commission, investigation of newsprint shortage, and a few other incidentals.

Chairmen of Committee on Commerce

Congress	Year	
4	1795	Benjamin Goodhue, Massachusetts.
5	1797	John Swanwick, Pennsylvania.
6	1799	Samuel Smith, Maryland.
7	1801	Do.
8	1803	Samuel L. Mitchell, New York.
9	1805	Jacob Crowninshield, Massachusetts.
10	1807	Thomas Newton, Virginia.
11	1809	Do.
12	1811	Do.
13	1813	Do.
14	1815	Do.
15	1817	Do.
16	1819	Do.
17	1821	Do.
18	1823	Do.
19	1825	Do.
20	1827	Churchill C. Cambrelong, New York.
21	1829	Do.
22	1831	Do.
23	1833	John B. Sutherland, Pennsylvania.
24	1835	Do.
25	1837	Francis O. J. Smith, Maine.
26	1839	Edward Cwetis, New York.
27	1841	John P. Kennedy, Maryland.
28	1843	Isaac C. Holmes, North Carolina.
29	1845	Robert McClelland, Michigan.
30	1847	Washington Hunt, New York.
31	1849	Robert H. McLane, Maryland.
32	1851	David L. Seymour, New York.
33	1853	Thomas J. B. Fuller, Maine.
34	1855	Elihu B. Washburn, Illinois.
35	1857	John Cochrane, New York.
36	1859	Elihu B. Washburn, Illinois.
37	1861	Do.
38	1863	Do.
39	1865	Do.
40	1867	Do.
41	1869	Nathan T. Dixon, Rhode Island.
42	1871	Samuel Shallabarger, Ohio.
43	1873	William A. Wheeler, New York.
44	1875	Frank Hereford, West Virginia.
45	1877	John H. Reagan, Texas.
46	1879	Do.
47	1881	Horace F. Page, California.
48	1883	John H. Reagan, Texas.
49	1885	Do.
50	1887	Martin L. Clardy, Missouri.
51	1889	Charles S. Baker, New York.

Chairmen of Committee on Interstate and Foreign Commerce

Congress	Year	
52	1891	Roger Q. Mills, Texas. George D. Wise, Virginia.
53	1893	Do.
54	1895	William P. Hepburn, Iowa.
55	1897	Do.
56	1899	Do.
57	1901	Do.
58	1903	Do.
59	1905	Do.
60	1907	Do.
61	1909	James R. Mann, Illinois.
62	1911	William C. Adamson, Georgia.
63	1913	Do.
64	1915	Do.
65	1917	Thetus W. Sims, Tennessee.
66	1919	John J. Esch, Wisconsin.
67	1921	Samuel E. Winslow, Massachusetts.
68	1923	Do.
69	1925	James S. Parker, New York.
70	1927	Do.
71	1929	Do.
72	1931	Sam Rayburn, Texas.
73	1933	Do.
74	1935	Do.
75	1937	Clarence F. Lea, California.
76	1939	Do.
77	1941	Do.
78	1943	Do.
79	1945	Do.
80	1947	Charles A. Wolverton, New Jersey.
81	1949	Robert Crosser, Ohio.
82	1951	Do.
83	1953	Charles A. Wolverton, New Jersey.
84	1955	J. Percy Priest, Tennessee.

Committee on Interstate and Foreign Commerce, 84th Congress: J. Percy Priest, Tennessee, chairman; Oren Harris, Arkansas; Arthur G. Klein, New York; William T. Granahan, Pennsylvania; F. Ertel Carlyle, North Carolina; John Bell Williams, Mississippi; Peter F. Mack, Jr., Illinois; Kenneth A. Roberts, Alabama; Morgan M. Moulder, Missouri; Harley O. Staggers, West Virginia; Isidore Dollinger, New York; Walter Rogers, Texas; Martin Dies, Texas; Samuel N. Friedel, Maryland; John J. Flynt, Jr., Georgia; Torbert MacDonald, Massachusetts; Don Hayworth, Michigan; Charles A. Wolverton, New Jersey; Carl Hinshaw, California; Joseph P. O'Hara, Minnesota; Robert Hale, Maine; James I. Dolliver, Iowa; John W. Heselton, Massachusetts; John B. Bennett, Michigan; Richard W. Hoffman, Illinois; John V. Beamer, Indiana; William L. Springer, Illinois; Alvin R. Bush, Pennsylvania; Paul F. Schenck, Ohio; Joseph L. Carrigg, Pennsylvania; Steven B. Derounian, New York; Elton J. Layton, clerk.

Common Termination Date of Shoreside Labor-Management Agreements

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, the announcement of the distinguished chairman of the House Merchant Marine and Fisheries Committee regarding a possible agreement on a common termination date of shoreside labor-management agreements of the east and west coasts is of great significance. It has been established that lack of such a common

expiration date has been detrimental to the maritime industry. I understand all parties, except the New York ship operators, have assured Chairman BONNER that August 1 is a satisfactory date. It would be tragic if the latter do not approve.

In my district in the Pacific Northwest, intercoastal service has diminished until this important segment of transportation is almost a thing of the past. I have felt a common anniversary date of labor agreements is a necessary step toward restoration of such shipping service.

I commend the gentleman from North Carolina [Mr. BONNER] for his action and express the hope a final understanding will soon be consummated. It is unthinkable that the New York operators would fail to approve this agreement.

Water Hyacinth Obstructions

EXTENSION OF REMARKS

OF

HON. EDWIN E. WILLIS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. WILLIS. Mr. Speaker, I have just introduced a bill to authorize a comprehensive project for control and progressive eradication of obnoxious aquatic plant growth from navigable waters, particularly in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas. My colleague from Louisiana, the Honorable T. A. THOMPSON, a member of the House Committee on Public Works, has introduced a similar measure.

This bill is a culmination of efforts extending over a long period of time to come to grips with this important problem.

On August 4, 1954, I inserted in the CONGRESSIONAL RECORD an article appearing in Collier's magazine and an exchange of correspondence with the Corps of Engineers concerning the deadly menace of the water hyacinth to the Gulf States from Texas to Florida, as well as other areas. I urged upon this body the imperative necessity to take immediate steps to eradicate and remove the source of infestation of this menace once and for all and pointed out the steps that had been taken in that direction up to that time.

In the Collier's magazine article the following stark facts are brought out:

The water hyacinth has caused heavy losses to commercial fishermen, put trappers out of business, greatly handicapped the oil and logging industries, suffocated game fish beyond estimate, and driven wildfowl from their winter nesting grounds. * * *

Moving with the wind and the current like floral juggernauts, the mats have spread through all the Gulf States from Texas to Florida and have reached as far north as Virginia and as far west as California. They cover hundreds of thousands of acres of lakes, ponds, streams, ditches, bayous, canals, marshes, and swamps. * * *

In Louisiana alone, the depredations of the water hyacinth have been estimated by the State Department of Wildlife and Fisheries at $55 million to $65 million per year. This is a high price even for a lavender symphony. In terms of human misery, moreover, the price has been ever higher.

A resolution was adopted by the Congress directing the Board of Engineers for Rivers and Harbors to review the reports on water hyacinth obstruction submitted in House Document No. 91, 55th Congress, 3d session. The resolution provided as follows:

Be it further resolved, That this action be taken with the view to determining the estimated cost of permanently eliminating the hyacinth plants and other marine vegetable growths from these streams, and that the cooperation of the Fish and Wildlife Service of the Department of the Interior, and the Department of Agriculture and the United States Public Health Service be solicited, since the aforementioned obstruction of such streams affects the fishing industry, agriculture, and health conditions.

I am very pleased to report, Mr. Speaker, that Maj. Gen. S. D. Sturgis, Jr., Chief of Engineers, in cooperation with the agencies referred to in the resolution, has submitted to the Secretary of the Army for transmission to Congress the report referred to in the resolution. After reviewing the problem thoroughly, the report of the Chief of Engineers, concurred in by the other related agencies, recommends a separate and comprehensive project to provide for control and eradication of the water hyacinth, alligator weed, and other obnoxious aquatic growth from the navigable waters and tributaries in the States above mentioned.

Mr. Speaker, I wish to pay tribute to F. W. zur Burg, of Southwestern Louisiana Institute and to Tulane University, New Orleans, for their work in preliminary research on the subject in cooperation with Government engineers and scientists.

Following my remarks on the floor on August 4, 1954, I received very encouraging expressions of support of the movement from Representatives and Senators from all the States involved, and I hope that by united effort we can have successful hearings and approval of the measure I have introduced during this session of Congress.

The report of the Chief of Engineers follows:

DEPARTMENT OF THE ARMY,
Washington, D. C.

Subject: Water hyacinth obstructions.
To: The Secretary of the Army.

1. I submit herewith for transmission to Congress the interim report of the Board of Engineers for Rivers and Harbors in response to resolution of the Committee on Rivers and Harbors of the House of Representatives, adopted February 6, 1945, requesting the Board to review the reports on water hyacinth obstructions submited in House Document No. 91, 55th Congress, 3d session, with a view to determining (a) whether any expansion of the scope of operations, or any change in the method now employed, for exterminating and removing the hyacinth plants and other marine vegetable growths from the waters of Louisiana, and such other States as are affected, is advisable at this time; (b) the nature and extent of the various public benefits that would accrue from such extermination and removal; and (c) the amount of local cooperation that may be warranted by reason of the local benefits; and further, that this action be taken with the view of determining the estimated cost of permanently eliminating the hyacinth plants and other marine vegetable growths from these streams, and that the cooperation of the Fish and Wildlife Service of the Department of the Interior, and the Department of Agriculture and United States Public Health Service be solicited, since the aforementioned obstruction of such streams affects the fishing indusry, agriculture, and health conditions. In is also in review of the interim reports on Lake Okeechobee and its tributary streams, Florida, with a view to removing the water hyacinth, authorized by the River and Harbor Act approved March 2, 1945. The nature of the problems involved does not permit presentation of a final solution for successful eradication of marine plant growths without further extensive research and field operations. For this reason, an interim report is submitted to present a recommended 5-year program of increased scope of operations in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas. Based on experience gained through this program a final report under the authorization will be submitted at a later date.

2. The existing Federal project authorized by the River and Harbor Act of 1899, as amended, provides for distruction or removal by the Corps of Engineers of the water hyacinth in the navigable waters of Florida, Alabama, Mississippi, Louisiana, and Texas, so far as they constitute an obstruction to commerce, using any mechanical, chemical, or other means whatsoever (except that in Florida the use of chemicals injurious to cattle is prohibited). Annual operations thereunder are carried out to the extent required to meet the essential needs of commercial navigation. Generally those operations have been limited to hyacinth control in the main navigable waterways. While no local cooperation is required under the existing project, local interests in the aggregate carry out considerable removal operations of local benefit independently of the Federal work for navigation. No authority now exists for Federal eradication measures in the interest of flood control, drainage, agriculture, fish and wildlife conservation, and public health.

3. The water hyacinth infestation has spread markedly in recent years into tributary waters and headwater areas, and the alligator weed is now prevalent in a number of localities. The belt of damaging infestation extends across the Southern States from North Carolina to Texas, and from the salt water line on the south to the area of intense winter freezing to the north. Generally after rains and floods large masses of hyacinth plants are carried downstream into the principal waterways. Along the Atlantic coast the infestation is spreading northward from Florida. Clogging of waterways has become so extensive, oftentimes blanketing a long stretch of a watercourse from bank to bank, that, in addition to obstructing commerce and navigation, the problem has assumed a greater scope. Among the additional adverse effects are those to agriculture by blocked drainage and increased flooding of low cultivated lands; to fish and wildlife by destruction of their food supply and depletion of the dissolved oxygen in the water; and to public health by increased malaria hazard and pollution from plant decomposition affecting public water supplies.

4. A comprehensive field survey, including extended research and experimentation, has been accomplished by the Corps of Engineers in full cooperation with the Depart-

ment of Agriculture, the Fish and Wildlife Service of the Department of the Interior, and the Public Health Service of the Federal Security Agency. The three interagency field committees organized to make the basic study of the coastal region extending from North Carolina to Texas, and the Board of Engineers for Rivers and Harbors, have recommended an expanded Federal program for control and eradication of aquatic plant growths from the waters of those States, in the interest of navigation, flood control, drainage, agriculture, fish and wildlife conservation, public health, and related public purposes, with the provision that the Chief of Engineers may require such local cooperation as he may deem appropriate. Annual cost for a 5-year all-purpose program, including continued research for development of most effective and economical control measures, was estimated at $1,520,000 in 1949. That sum included the annual allowance which was estimated as being required under the existing Federal project for reasonably adequate control measures on navigable waters in the interest of commerce and navigation only.

5. After due consideration of this report, I concur generally in the views and recommendations of the Board. It is obvious that the local benefits to accrue from such an expanded program would be substantial, and in my opinion these local benefits warrant participation by local interests either by cash contribution or services in kind. Although I recognize the difficulties involved in prescribing a blanket degree of local cooperation for all areas in which the proposed expanded program is to be prosecuted, I also recognize the need of the Congress for a basis on which it can consider and determine an equitable allocation of costs. Present policies provide for Federal participation ranging from 100 percent for certain flood control and navigation improvements to essentially 0 percent for certain fish and wildlife and public health improvements. A weighted average of local contributions toward the various purposes involved in this program approximates 25 percent. I believe that local responsibility for 25 percent of the program would not be an unreasonable requirement, and that it would not place an undue burden upon local interests.

6. With respect to the use of chemical herbicides, the application of spray solutions including 2,4-D from boats or aircraft is indicated to be effective in attacking infestations in lakes and other large water areas, without harmful effect to fish and wildlife, other animals, or human beings. Such applications must be carefully controlled in order to prevent damage to certain crops on adjacent lowlands. Even when due care is exercised in applying the spray solutions, however, there is a possibility that crops may be damaged. In my judgment, local interests should hold the United States free from claims for any damage that may occur, if any should arise from such operations, and I consider it advisable to secure appropriate assurances as a condition precedent to Federal operations in any expanded Federal program.

7. Subsequent to preparation of the report of the Board of Engineers for Rivers and Harbors, the expanded program set forth therein has been reexamined in the light of existing conditions. It has been found that the scope of the measures proposed is adequate, but the total annual cost of the existing and expanded programs on a 5-year basis is presently estimated at $1,655,000.

8. Current expenditures for removal of the water hyacinth from navigable waters under authority of the River and Harbor Act of 1899, as amended, have averaged about $305,000 during the past 5 years. In view of longstanding Federal responsibility for maintenance of channels for commercial navigation, I am of the opinion that such maintenance work should be continued without contribution of local funds. A substantially lesser amount should suffice for this purpose after the 5-year program is completed.

9. Accordingly, I recommend that in addition to the existing Federal project for Water Hyacinth Control for Navigation, a separate comprehensive project be authorized to provide for control and progressive eradication of the water hyacinth, alligator weed, and other obnoxious aquatic plant growths from the navigable waters, tributary streams, connecting channels, and other allied waters in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, in the combined interest of navigation, flood control, drainage, agriculture, fish, and wildlife conservation, public health, and related purposes, including continued research for development of the most effective and economic control measures, at an estimated total cost of $1,350,000 annually for 5 years, to be administered by the Chief of Engineers, under the direction of the Secretary of the Army, in cooperation with other Federal and State agencies, all generally in accordance with the methods set forth in the report of the Board and with such modifications as in the discretion of the Chief of Engineers may be advisable, subject to the conditions that the States hold and save the United States free from claims for any damages that may occur from such operations and participate to the extent of 25 percent of the cost of the additional program. This project will be designated as the expanded project for aqutic plant control.

10. In order to facilitate administration of the proposed program, close coordination between State and Federal agencies will be required. It is contemplated that the portion of the program to be accomplished each year will be determined by agreement between the State and Federal agenices concerned in the light of the availability of local funds which, in turn, will govern the amount of Federal funds appropriated each year for expenditure by the Corps of Engineers on behalf of the Federal agencies.

S. D. STURGIS, Jr.
Major General, USA,
Chief of Engineers.

Our Inadequate Highway System

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1956

Mr. PELLY. Mr. Speaker, a single disaster if it took the lives of 105 people today would be reported by radio and television and would appear on the front page of every newspaper in the Nation. Yet about 100 separate tragedies which occurred every single day of last year and which resulted in an average of 105 people killed daily in the United States by automobiles have failed to shock legislators sufficiently to remedy this situation in the past. A highway system to take care of the 3 million additional automobiles being added each year is the remedy I have in mind to adequately handle our traffic problem. The death toll rose 8 percent in 1955 and yet Congress last year failed to act on President Eisenhower's highway construction program.

It is encouraging that Congress may soon consider a measure which provides for the Federal Government to assume a major role in accelerating highway construction, because I doubt if our constituents next fall will register much sympathy if Members of Congress, as they did in the first session of the 84th Congress, set up partisan roadblocks—a rather appropriate expression—for authorizing such a program.

Last session, I could not support the committee bill that was reported out of committee—not, I assure you, on account of the measure's failure to conform to the administration's ideas; but rather because this Democratic bill taxed nonusers of interstate highways unfairly. Certainly, I have no objections to a pay-as-you-go program and I understand President Eisenhower has no objection to it as against his former suggestion of financing this highway program by issuing bonds.

There are details about this highway construction bill that are important. In my opinion, a provision such as the Davis-Bacon type of protection for local area wages and standards is fair and should be supported. I expect to have more to say on that score later. There will be difference of opinion, also, as to the apportioning formula as between States, and reimbursement factors to utilities.

Right now, I desire to address myself to the general need that exists as far as my own State of Washington is concerned. It happens that Washington State's needs recently have been carefully analyzed. Citing the highway study of this one State would indicate, I am sure, a good example of what exists in the other 47 States.

Our Washington State Highway Commission presented a long-range report at the 1955 session of our State legislature outlining the needs of the highway system over a 10-year period with anticipated State revenues. This comprehensive report was based on a 2-year study by our department of highways in evaluating every mile of the State highway system to determine needs of each section in respect to anticipated traffic growth.

The conclusion was that for a 10-year period $675 million should be spent while using the present tax base projected over the same period, allowing for expected revenue increases, only $331 million would be available to do the work.

These total needs, I am told by Washington State's Director of Highways, W. A. Bugge, are somewhat below the figures set forth in the section 13 study of the 1954 Federal Aid Act, this for the reason that in our State study, need was held to the bare essentials and it excluded improvements on 1,700 miles of State highways which while inadequate, yet could be tolerated. Also excluded was reconstruction of highway from Tacoma through Seattle to Everett which is proposed as a toll road to cost an estimated $194 million. Two other

sections that cross the Cascade Mountains were omitted, part of the so-called Cascade Wagon Road from Marblemount to Twisp, and also part of the Naches Pass highway. These projects would cost $50 million additional.

In other words, without a revision of the tax base or additional assistance on the Federal level, the State of Washington will be faced with a very serious problem as it affects the improvement of the highway system. There is no doubt that if the highway transportation system of my State or the other 47 States, is not improved, consistent with the traffic demands, the effect will be of serious nature upon the economic and industrial growth of the State and likewise of the Nation, as well as upon the accident and mortality rate.

I agree with the conclusions reached by the Public Works Committee of the House of Representatives that the Federal Government should assume the major responsibility of reconstructing the interstate system, and if legislation is enacted to that effect, it would then make it possible for the State of Washington to reevaluate its basic highway planning in such a manner as to more realistically meet the 10-year needs requirements with the funds that would be available. Other States, I am sure, will be in the same situation.

A Washington State factor of major importance is the relationship of the proposed Federal highway legislation to the Tacoma-Seattle-Everett toll road. It was the thinking of the 1955 Washington State Legislature that it was necessary to initiate such action so as to assure the early completion of this much needed highway section. The congestion that is developing in the metropolitan areas of Tacoma and Seattle make it imperative that highway improvements of freeway design be considered in the very near future. For that reason the 1955 State legislature directed the Washington Toll Bridge Authority to proceed with the construction of this highway as a toll road. This particular section of highway is part of the interstate system and if major Federal participation in the interstate system was effected by congressional action, it would then make it possible to reevaluate this particular project with respect to the possibility of building all or parts as a free road, which, of course, would represent a saving of millions of dollars to the highway users of the State, as would be reflected in interest charges on bonds issued and other costs incidental to toll projects.

I believe a thorough investigation of the Federal program will resolve itself into a situation wherein the Federal Government would assume the major cost of the reconstruction of the interstate system and if such legislation became a reality, the highway problems that are affecting the States not only today but in the future could be resolved consistent with the evident traffic demands and likewise the future growth of the State. I think other States would be affected in a similar way to Washington State.

And finally, Mr. Speaker, let me conclude by emphasizing that it takes years to construct highways. It will take years to carry out a Federal accelerated highway program. I strongly support action now to build a highway system adequate for present and future traffic requirements.

SENATE

THURSDAY, FEBRUARY 2, 1956

(Legislative day of Monday, January 16, 1956)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

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

Almighty God, who desirest candor and truth in the inward parts, we would come to Thee this morning hour in that fear of the Lord which is the beginning of wisdom. Keep us, we beseech Thee, from the folly of attempting to deceive Thee, unto whom all hearts are open, all desires known. As those whose powers are dedicated to the Nation's weal, make Thy servants here in the ministry of public affairs faithful to each challenging duty, loyal to every high claim, responsive to the human needs of this suffering earth.

We rejoice that this day in the Capital of the Nation founded on reverence and obedience to Thy holy will the representatives of the executive, judicial, and legislative divisions of our Republic have joined their hearts and voices in praise and prayer, asking for Thy guidance, for the cleansing of their own hearts and the undergirding of their own lives for the facing of these days. We pray that by the fellowship and counseling together of the leaders of Great Britain and America there may be maintained the spiritual and moral traditions of our inheritance, and that the forces which fight for righteousness may be forged into a closer unity against the principalities of slavish darkness in this divided world. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., February 2, 1956.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. FREDERICK G. PAYNE, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

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

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 1, 1956, was dispensed with.

LEAVE OF ABSENCE

Mr. MORSE. Mr. President, I ask unanimous consent to absent myself from sessions of the Senate tomorrow and Saturday, in order that I may attend the funeral of the Governor of my State.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Permanent Investigations Subcommittee of the Government Operations Committee was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Judiciary Committee was authorized to sit during the session of the Senate on Monday next.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Banking and Currency Committee was authorized to sit during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions, the introduction of bills, and the transaction of other routine business, subject to the usual 2-minute limitation on statements.

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

LEGISLATIVE PROGRAM—ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the majority whip, the Senator from Kentucky [Mr. CLEMENTS], and the minority leader, the Senator from California [Mr. KNOWLAND], I have an announcement I should like to make for the information of the Senate.

In the event no Senators desire to speak on the pending business today or tomorrow, it will be the purpose of the leadership to have the Senate proceed to the consideration of measures which it was previously announced could be considered during that period.

It is my understanding that it is the hope of the Senators opposed to the bill and the Senators who favor the bill that a vote can be obtained on Monday, under the unanimous-consent agreement which will go into effect on that day. The Senate agreed to the unanimous-consent request, which provides